FINANCIAL TIMES

Friday March 26 1976

NEWS SUMMARY

GENERAL

Franjieh quits Beirut palace

Lebanese Left-wing and Moslem forces have declared a full-scale military offensive, prompting their Christian opponents to call a full mobilisation of their ranks. The country now appears to be heading for partition and an all-out civil war.

Heavy shelling has forced President Franjieh to leave his palace on the outskirts of Beirut and move to Jounieh, some 12 miles north of the capital and the last major town in Christian hands.

Syria, whose imposed settlement has collapsed, has been holding intensive talks with other Arab leaders in the past 48 hours and though direct intervention still seems unlikely, a major new initiative will be needed if Lebanon is to avoid fragmentation. Back Page

Belfast to have security barrier

A security barrier is to be built around Belfast city centre. All roads and alleyways around the shopping centre will be blocked by 10 feet steel fences and elaborate security gates from next Monday. Two security men were injured yesterday when two bombs exploded in Belfast's Great Victoria Street.

South Africa to quit Angola

Mr. P. W. Botha, the South African Defence Minister, told the Cape Town Parliament that *all South African troops would* be withdrawn from Angola by to-morrow. The statement follows assurances from the Luanda Government over the security of projects near the Namibian border. Back Page

Lump men jailed

Three senior employees of J. Murphy and Sons, the building concern, were each jailed for three years and fined £10,000 at the Old Bailey for plotting to cheat and defraud the Inland Revenue in a case involving the "lump." The company, which was fined £675,000, may appeal. Page 25

Monk enthroned

The Rt. Rev. Basil Hume, former Abbot of Ampleforth, was ordained bishop and enthroned as Archbishop of Westminster before a congregation of over 3,000 in Westminster Cathedral.

Flu vaccine trials

Field trials of vaccine against the swine influenza virus, which is the same type that killed 20m. people around the world in 1918-19, are to be run in the in the U.S. Page 4

Briefly . . .

Security guard, whom the man accused of murdering Shropshire heiress Lesley Whittle is alleged *to have shot, has died 14 months* after the incident.

The Budget may be broadcast this year if MPs approve, Mr. *Edward Short, Leader of the* House, told the Commons.

Hornsey coroner's jury returned a manslaughter verdict against *a Willesden, London, mechanic* who repaired a car which was subsequently involved in a fatal accident.

Nigerian Commissioner for external affairs had the first top-level meeting with Mr. Callaghan last night since the British Ambassador to Lagos was re*called at Nigeria's* request.

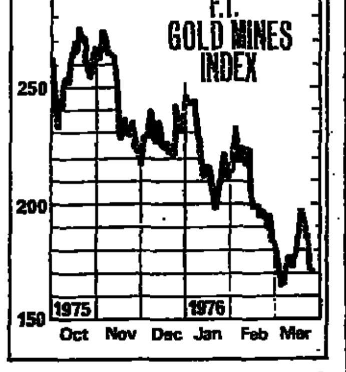
Dublin man living in Lavender Hill and an Irishwoman were remanded in custody at South-West London Court, charged with conspiracy to cause explosions.

Quaker boarding school at Great Ayton, near Middlesbrough, has expelled eight sixth-formers for smoking cannabis.

BUSINESS

Equities edge up but golds slip again

● **EQUITIES failed to repeat earlier gains, but made slight** *headway on improved turnover.* **The FT 30-share index rose 0.2 to 406.3. Golds were mixed with some U.S. buying of certain**



issues, in spite of the fall in the bullion price. The Gold mines index slipped a further point to 170.6. It has now fallen more than 20 over the past week.

● ***GILTS rose for the fifth*** **consecutive day. Gains of up to ⅜ left the Government Securities index 0.15 higher at 62.32.**

● **STERLING lost 35 points to $1.9235: its trade-weighted depreciation widened to 33.7 (33.6) per cent. Dollar's fall also widened to 2.21 (2.13 per cent.**

● **GOLD slipped $⅞ to $133 in quiet trading.**

● **WALL STREET closed 7.08 lower at 1002.13 after meeting** ***some profit-taking and investor*** **caution.**

State concerns given advantage in North Sea

● **BRITISH GAS** and the British National Oil Corporation have been given authority to apply for *exploration licences at any time,* not just when the Government issues block concessions. **Page 8**

● **BRITISH PETROLEUM** has discovered a new North Sea oilfield close to the large Ranger Oil find made earlier this month. **Page 7. North Sea Oil Review, Page 27**

● **BRITISH STEEL** is to use a £150m. EEC loan approved yesterday to finance part of its £1.5bn. Teesside plan. **Page 7**

● **JAPANESE** Ministry of International Trade and Industry has *apparently asked five car* builders to cut exports to Britain for the current quarter and will need to do so again. **Page 4**

● **COMMON MARKET** membership added an estimated £788m. to Britain's food bill last year, *according to Labour MP Mr.* Douglas Jay. **Page 7**

● **SECOND SHIP** owned by Maritime Fruit Carriers has been arrested, this time in Rouen, again at the request of the Danish Aalborg shipyard. Two more ships will be held as soon as they dock, an official said. **Page 26**

● **GREENWELL** Dry Dock on Wearside closes to-night. Mr. Eric Varley yesterday accepted a report advising closure. About 500 men lost their jobs. **Page 7**

● **J. LYONS** plans to give full *voting rights to holders of its* "A" Ordinary shares, in conjunction with a rights issue to raise £10.5m. **Back Page, Details Page 22 and Lex**

● **LUCAS INDUSTRIES** half-year pre-tax profits rose to £21.04m. (£13.09m.) and the directors expect the improvement to be maintained. **Page 23 and Lex**

● **PRUDENTIAL ASSURANCE** profits rose to £18.1m. (£12.1m.) last year. The non-life underwriting loss was cut to £2m. (£4.7m.). **Page 24 and Lex**

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

Treasury 9pc 1980	£95	+ 1/16
Brit. Electronic	17	+ 3
Dundonian	40	+ 5
Foseco Minsep	196	+ 5
Furness Withy	214	+ 6
Gallenkamp (A.)	136	+ 10
Hong Kong Land	127	+ 4
Johnson-Rchrds. Tiles	232	+ 7
Kleeman	207	+ 7
Leyland Paint	36½	+ 3½
Liverpool Daily Post	106	+ 6
Matthews (B.)	100	+ 12
Norwest Holst	48	+ 5
Photopia	32	+ 4
Pressac	38	+ 3
Prudential Assurance	140	+ 6
Reardon Smith "A"	71	+ 11
Reed Intnl.	285	+ 7
Rotork	157	+ 8
Rowntree Mackintosh	203	+ 12
Sheaf Steam	81	+ 9
Sime Darby	108	+ 4
BP	600	+ 5
Anglo-Vaal	925	+ 25
Free State Geduld	£17¾	+ ½
MIM	250	+ 10

FALLS

Barclays Bank	290	− 6
Central Wagon	22	− 2½
Lyons (J.) "A"	133	− 11
News Intnl.	165	− 6
Royal Worcester	116	− 8
Tube Invs.	368	− 4
Warren (James)	43	− 5
Weyburn Eng.	715	− 25
Shell Transport	408	− 6
Amal. Tin Nigeria	36	− 3
Botswana RST	42	− 12
Cons. Murchison	680	− 20
Northgate	375	− 20
Ventersport	215	− 25

Benn and Jenkins pull out ● Crosland eliminated ● Foot is top of the poll

Callaghan is stronger favourite after first vote

BY PHILIP RAWSTORNE

MR. JAMES CALLAGHAN, the Foreign Secretary, was runner-up in the first ballot for the Labour leadership last night. But his position strengthened as favourite to succeed Mr. Harold Wilson as Prime Minister.

Within 90 minutes of the vote being announced at a tense and crowded meeting of Labour MPs, two of the candidates declared that they would withdraw from the contest.

Mr. Anthony Wedgwood Benn, the Energy Secretary, told the meeting immediately that he was throwing his support behind Mr. Michael Foot, Employment Secretary, and the Cabinet's leading Left-winger, who headed the first poll by six votes.

But the jubilation of Mr. *Foot's voters was quickly* silenced as Mr. Roy Jenkins announced his withdrawal, too. A statement said: "He feels that the Parliamentary Labour Party and the nation would welcome an early decision as to who is to be the next Prime Minister."

With Mr. Anthony Crosland, *Environment Secretary,* eliminated after taking bottom place, heavy pressure was being exerted on Mr. Denis Healey, Chancellor of the Exchequer, to leave the ring for a straight fight between Mr. Callaghan and Mr. Foot.

But Mr. Healey declared: "I *am going on to the second* ballot."

Ballot papers for the next round, which ends on Tuesday, were being posted to Labour MPs last night—only three of whom failed to vote in the first ballot.

The critical factor now is the switching of the Centre-Right

THE VOTING

MICHAEL FOOT	90
JAMES CALLAGHAN	84
ROY JENKINS	56
ANTHONY WEDGWOOD BENN	37
DENIS HEALEY	30
ANTHONY CROSLAND	17

votes of Mr. Jenkins and Mr. Crosland to Mr. Callaghan and Mr. Healey.

But few MPs thought the Chancellor could attract enough votes to overcome Mr. Callaghan's initial advantage.

The Foreign Secretary was considered likely to capture enough votes to ensure Mr. Healey's elimination next Tuesday and to go on to take the prize. He left the Commons meeting last night smiling and repeating "very good." Mr. Foot's campaign supporters refused to concede eventual defeat, however.

Mr. John Silkin, the Cabinet Minister who is acting as chairman on his campaign committee, claimed that the Employment Secretary was in a winning position. About half of Mr. Foot's votes had come from the centre and right of the party, he said.

Drawing parallels with Mr. *Harold Wilson's election to the* leadership in 1963, the Foot campaigners said that his appeal as a party unifier would put him further ahead on the second ballot. "There is enough evidence to show we can win," said Mr. Silkin.

Most, but not all, of Mr. Benn's 37 *votes will be transferred to* the Employment Secretary, who may also pick up a few more from Mr. Crosland.

Mr. Benn, *after announcing* his withdrawal, said that he had decided on his move before the ballot. "I shall be voting for Mr. Foot," he said. His 37 votes, which took him into fourth place, had shown "substantial support" with the PLP for the policies that he had proclaimed, said Mr. Benn.

There was general delight among Left-wingers that he had finished above Mr. Healey.

Mr. Crosland, whose campaign never appeared likely to gather any momentum, said: "I am disappointed, naturally, but I am glad to have stood."

Politics To-day, Page 21

STILL IN THE RACE . . . Mr. Callaghan, Mr. Foot and Mr. Healey.

Healey still in with a faint chance

BY DAVID WATT

THE FIRST round in the fight for the Labour leadership has cleared the ground without altering the probable outcome. Mr. Callaghan remains the man with far the best chance of becoming the Prime Minister, but there is still a chance, though a faint one, for the alternative candidate of the Centre, Mr. Healey.

The result contains two significant surprises. Mr. Benn won a larger proportion of the votes of the Left than had been expected. He has put down a strong marker for the *future and his prompt withdrawal from* the race in order to help Mr. Foot will presumably erase any ill feeling created by his having spoiled Mr. Foot's grand total.

Much worse

More sensationally Mr. Jenkins did much worse than expected. His hard-core support in the party has dwindled further than anyone had realised and he has quite rightly drawn the conclusion that he was now out of the race. *Even if he had picked up the* majority of Mr. Crosland's vote in the next ballot (which was unlikely) and the majority of Mr. Healey's in Round Three (*equally implausible*) he would still have been too far behind Mr. Callaghan to offer a credible alternative to the Foreign Secretary in the final race against Mr. Foot.

The question for Round Two is, of course, Mr. Healey's situation. Assuming that he does not withdraw before the ballot in order to close ranks with the probable winner, his chances depend upon putting together an alliance based upon the proposition that he is the only man who can stop Mr. Callaghan. Mr. Crosland's votes are as likely to come to him as to Mr. Callaghan and it is by no means certain that all Mr. Jenkins' supporters will go over to the Foreign Secretary. Mr. Jenkins' chances of becoming party leader one day remain alive if Mr. Callaghan is elected, whereas if Mr. Healey wins they are virtually extinguished. On the other hand, a good many Jenkinsites evidently find what they regard as the Foreign Secretary's mediocrity as even more distasteful than Mr. Healey's abrasiveness.

Even more crucial to Mr. Healey, however, will be the votes of the Left. The Chancellor's managers will argue that Mr. Foot is unlikely to be able to increase the Left wing vote beyond the sum of his own and Mr. Benn's. If so, Mr. Callaghan must win in a straight contest with Mr. Foot and the only way to prevent this outcome would, therefore, be a tactical vote for Healey on the part of the Left.

But does the Left, or any substantial part of it, regard Mr. Healey as a lesser evil than Mr. Callaghan? Some undoubtedly do, in spite of the Chancellor's outburst at the time of the revolt over expenditure cuts two weeks ago. But it seems doubtful whether there will be enough members of this category. A lot of Left-wingers are more likely to succumb to the argument that a strong Left wing vote will leave Mr. Foot the second most powerful figure in Mr. Callaghan's Government—a more certain and *more cashable dividend than any offered* by the Healey camp.

Handicap

The fact that the next ballot takes place next Tuesday is also, probably, a handicap for Mr. Healey. MPs now quit the hothouse atmosphere of Westminster where they can be easily got at for arm-twisting and where the wildest tactical schemes can be made to sound attractive. A week-end in the constituencies may well tend to confirm support for the Foreign Secretary, who is the most popular candidate with the rank and file.

Leyland 'goes into loss' as strikes continue

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

*FOUR STRIKES in British Ley*land car plants remained deadlocked last night despite a blunt warning given to a meeting of 350 senior shop stewards that the corporation had been plunged into the red again because of production losses.

The *fall in output is now* becoming so serious that stresses are beginning to emerge between the International Group, which wants a greater allocation of cars for overseas markets, and the domestic sales division.

Booming markets in Europe have placed Leyland in a highly *favourable position to set off on* its bid to capture the 4 per cent. of European sales demanded in the Ryder Report. But with Leyland's *registrations, slipping at* home, there is also a great temptation to divert cars to the domestic market.

Production losses since the present round of strikes and disputes began two-and-a-half weeks ago now amount to about 5,000 vehicles a week with a *sales value of £12m.*

Output has fallen from 18,000 cars a week to about 14,000, the figure the company was achieving at the beginning of the year. Mr. Derek Whittaker, managing director of Leyland Cars, told the stewards.

It is understood that the *stewards accepted the main* points made. One or two explained that considerable frustration was caused by the inflexibility of the pay policy and the anomalies it created when companies were trying to rationalise pay structures and find a common starting date, as in British Leyland.

But the stewards were left in no doubt about the serious view the management takes of the disputes. Until these strikes broke out the Car Group had got back to a steady week-by-week improvement in production, and the financial contribution this made to Leyland as a whole meant that the corporation was able to say it had broken even *over a five-month period.*

Now all this has been placed in jeopardy, coming at a particularly embarrassing time when *the group is in the final process* of formulating its ten-year plan. Because of similar disputes last year, the company imposed a ban on further capital spending until the end of this month.

In a forceful speech yesterday, Mr. Whittaker drove home the point that this ban would not be unfrozen until the company's market share in Britain had been pushed up again. He mentioned a figure approaching 40 per cent., which compares with about 28 per cent. achieved in the early part of this month.

Target production has been set at 22,000 vehicles a week by August.

All the strikes are by toolmakers from the Amalgamated Union of Engineering Workers who want parity with similar workers in other BL plans. While two have halted production of the Triumph Stag and TR6 sports car, and of Land-Rovers and Range-Rovers, the smallest of them is likely to be the most damaging.

This is by 32 toolmakers at the S.U. Carburettor subsidiary in Birmingham which not only supplies British Leyland's petrol engine requirements but also other producers here and overseas.

Unless this dispute, over delays in paying agreed rises because of the Government's pay policy, is settled by the middle of next week—and there is no sign of that—progressive lay-offs are *likely to begin at* Leyland car plants.

Another 400 toolmakers at eight Rover factories, including one in Cardiff, are seeking back pay under a national agreement of up to £2 a week from February, 1975, for premium work like overtime.

New head for Thorn Electrical

BY CHRISTOPHER LORENZ, ELECTRONICS CORRESPONDENT

SIR JULES THORN yesterday brought years of speculation to an end by formally announcing his retirement from the chairmanship of Thorn Electrical Industries.

He is to retire following the annual general meeting on August 27. Mr. Richard G. Cave, chairman of Smiths Industries, has been appointed a director and will take over as chairman of Thorn on September 1. Sir Jules *is 76, 20 years Mr. Cave's senior.*

Sir Jules has accepted an invitation to become the company's first president. The AGM will be asked to amend the articles of association to make this possible. The post will not entitle him to a seat on the Board.

The company's statement specifically referred to Mr. Cave's "executive duties," underlining the intention for him to be a full-time executive chairman.

At one time Sir Jules' successor had been expected to be a part-time appointment, with the role of chief executive being given to Mr. Jack Strowger, who has been managing director since 1970 and is now aged 60.

Mr. Cave said last night that there was *no question* of Mr. Strowger leaving the company. Sir Jules commented that Mr. Strowger's job would not change, and that the two men "would get on well."

Asked whether there was any question of a link between Thorn and Smiths Industries, as part of Thorn's diversification into light engineering, Mr. Cave replied: "*Absolutely not at all.*"

Sir Jules said that night he was leaving his ship "in good shape, as you'll see from last year's figures" (which will be published shortly). "The middle management team is as good as any in the country," he said, laying particular stress on Thorn being "*the only company in the* world that's beaten Phillips in lamps."

In a letter to all company employees, Sir Jules expressed regret and sadness at his decision. But he forecast that under Mr. Cave's future leadership "the company will be entering a period of further growth and expansion with particular emphasis on overseas development."

New directors for Thorn and Men and Matters Page 20

£ in New York

—	March 25	Previous
Spot	$1.9272-9220	$1.9260-9290
1 month	0.30-0.75 dis	0.95-0.88 dis
3 months	2.30-2.25 dis	2.48-2.38 dis
12 months	7.25-7.16 dis	7.55-7.45 dis

For latest Share Index 'phone 01-246 8026.

LOMBARD

The soothsayers under attack

BY C. GORDON TETHER

"THE DESIRE to know the distant future seems to be inherent in mankind, but the ability to forecast it accurately remains a dream." So says the latest bulletin of the American Institute for Economic Research at the close of an article wherein it endeavours to provide chapter and verse verification for its oft-repeated contention that forecasts of the pace of economic activity extending beyond the immediate future are useless.

The article starts by observing that there seems to be a resolute unwillingness to accept the present limitations of economic scientists. And, by the way of amplification, it points out that, in spite of the "abundant evidence" that forecasts which try to do more than predict the broad direction of business cycle changes were not reliable for more than a few months ahead, the number of such forecasts and the attention given to them goes on increasing.

Methods used

In an endeavour to show how unwarranted this is, it then goes on to examine the methods used and the results achieved by a forecast made jointly by two highly respected U.S. organisations—the American Statistical Association and the National Bureau of Economic Research. This quarterly exercise, which is based on data compiled from responses to questionnaires sent out to about 160 economists, was inaugurated in 1969. The participants are asked to say what they believe will be the rate of 11 different measures of economic activity during each of the five succeeding quarters.

The Institute's probe examines each of the four different methods which the respondent economists are said to use in order to make their forecasts and finds them all seriously wanting—in the sense they have "little scientific basis"—in one way or another. It maintains, for example, that examination of the techniques employed by the most popular method—informal Gross National Product models—reveals that, if the resulting predictions prove to be accurate, that accuracy is attributable more to chance than to sound procedures of inquiry.

However, the final proof of all such puddings is in the eating. And it has to be said that the conclusions that emerge from the study's examination of how far the ASA-NBER's forecasts were borne out in practice strongly endorse the contention.

The forecasts under scrutiny were made in the first quarter of 1974 and were designed to show what was going to happen during the second, third and fourth quarters of that year and first two quarters of 1975. Though the contraction in business activity which culminated in the great 1975 recession was then already under way, the forecasters predicted continued expansion in economic activity under nine of the eleven headings, and little change under the remaining two.

In short, the ASA-NBER forecasts did not merely fail to get near the target; they turned out to be wildly out. And according to the Institute's report they are typical of hundreds of economic forecasts made each year.

There is no difficulty in seeing that, to the extent that scientific analysis enters into economic forecasting at all, it will have to be supplemented by a substantial element of semi-guesswork—in relation, for example, to the probable political reaction to developments in the economic field. And it seems not unlikely that a substantial part of the explanation for the fact that the ASA-NBER's band of economists got it so wrong is that they had taken it for granted—wrongly as it turned out—that an emergent situation that clearly called for the invocation of the classical Kenysian remedies would see them being vigorously applied.

Misleading

It also seems conceivable that, when it comes to predicting the economic outlook, the natural human tendency to look on the bright side results in the forecasters allowing their better judgment to be over-ridden by emotional considerations.

However that may be, it can hardly be denied that the American Institute for Economic Research succeeds in making its point that economic forecasting is such an inexact science as to be virtually useless. Indeed, it can be said that, so long as it is characterised by so much inaccuracy, it is worse than useless. For, since such forecasts are apt materially to influence the decisions taken by government, the business community and others, the inaccuracies can have very unfortunate consequences.

Is it not probable, for example, that the failure of the White House to take more vigorous action to halt the U.S. recession in its early stages was attributable in significant degree to the misleading character of the messages it was getting from the economic soothsayers?

RACING — BY DOMINIC WIGAN

Marshall to land opening double

BILL MARSHALL, and his jockey son, Dick, could make a memorable start to the Flat season at Doncaster's opening day meeting this afternoon.

I expect to see them land the day's feature event, the five-furlong Batthyany Handicap with Major John and complete a double 90 minutes later through Touch of Gold, who goes for the French Gate Stakes.

The better bet from this pair appears to be that tough Majority Blue colt, Major John. A three-lengths winner from Attymon Place in a minor event at Windsor in August, Major John probably ran his best race on his final appearance when taking second place behind Rippling in a nursery at York. His conqueror went on to pay a useful compliment to the form when finishing second to the highly rated Kala Shikari at Newmarket.

In spite of a bad draw of three I believe tht *Friendly Boy* will be able to get his backers off to a good start in the opener, round one of that fine series, the Crown Plus Two Apprentice Championship.

Frank Carr's powerful *Be Friendly* colt obliged at the first asking last season when scoring at Pontefract, and with only 8 stone 3 pounds in the saddle, he can be well fancied to repeat the performance.

Ladbroke's, who go 7-4 on Eddery (as do Coral's) for the Jockeys' Championship, have opened a book on the trainer to saddle most winners in 1976. The betting is 4-6 Peter Walwyn, 7-2 Henry Cecil, 5-1 Ryan Price, 7-1 Barry Hills and 33-1 bar.

Sir Desmond Plummer, the chairman of the Horserace Betting Levy Board, has announced Levy Board approval of 112 improvement schemes at 49 race courses.

In accordance with the Board's policy of improving the terms and conditions of racing's work-force, emphasis has again been placed on improvements to hostel or canteen facilities for stable lads. Schemes involving stable lads' accommodation have been approved for Bath, Brighton, Haydock, Huntingdon, Perth, Redcar, Salisbury, Southwell, Thirsk, and York.

● The Horserace Betting Levy Board has approved 112 improvement schemes at 49 racecourses costing a total of about £700,000.

DONCASTER

2.30—Friendly Boy**
3.05—Major John***
3.35—High Drama
4.05—Empressaria
4.35—Touch of Gold*
5.05—Enemy

DEVON AND EXETER

2.45—Biretta
3.15—Dark Sky
3.45—Golden Litchen

SALEROOM — BY ANTONY THORNCROFT

Goya plates sell for £36,000

A SET of 33 plates from the first, 1816, edition of Goya's *La Tauromaquia* was bought by the Norton-Simon Museum, one of the most voracious of American collectors, for £36,000 at Sotheby's yesterday. This was way above the £18,000-£22,000 pre-sale estimate, and only £2,000 short of the auction record for engravings, also established by Goya.

One of the 33 La Tauromaquia plates

By contrast the 16 Dürer woodcuts of *The Apocalypse*, expected to make up to £30,000, were bought anonymously for £16,000. All but three were from the 1948 German edition. The same anonymous buyer fuelled the demand for Goya by paying £8,800 (forecast £5,000-£5,500) for 18 plates from the first, 1864, edition of Goya's *Los Proverbios*.

Other notable prices, in a successful auction which totalled £138,106 with just over 2 per cent. unsold, were the £5,200 from Colnaghi for a second state engraving of Dürer's *Melencolia*, and £5,100 from Uggeri for 20 etchings by Marco Ricci of landscapes. Two more Dürer woodcuts of the *Whore of Babylon* and of *The Beast with two horns like a lamb* went for £4,500 and and £4,000 respectively.

There were also some high prices at a Sotheby's jewels sale which realised £132,705. A ruby and diamond brooch-pendant fetched £11,000; a diamond set solitaire as a ring sold for £5,200; and the same sum was paid for an opal and diamond pendant.

Sotheby's Belgravia held a routine silver sale which added £25,567, with only 4 per cent. bought in. A high price was the £1,350 from an American dealer for an American six-piece tea and coffee set, an unusual item to appear in London. A Martin, Hall and Co., large two-handled tray of 1878 was just within target at £1,250.

There was another quiet sale at Christie's, which disposed of English furniture and Eastern rugs and carpets for £67,134. Partridge Fine Art bought a pair of George I gilt side [illegible] for £2,200, well above forecast, while the Alexander Gallery acquired a Regency rosewood games table for £1,900. A George III mahogany bureau bookcase made £1,800, and a late Georgian mahogany three-pedestal dining table £1,700.

Phillips held its first sale in Australia yesterday, totalling $A111,000 for the Dr. Nicolai Savoy-Soubotian collection of furniture and works of art. A village scene by David Teniers was bought for $A16,000. Back home at Retford, Spencers held a silver sale which realised £19,432, with a pair of William IV sauce boats selling for £530.

ENTERTAINMENT GUIDE

OPERA & BALLET

COLISEUM. (01-836 3161). ENGLISH NATIONAL OPERA. Tonight 7.30 Idomeneo. Tomor. & Tue. 7 Don Carlos. Wed. 7.30 Tosca. Thur. 7.30 King Roger.

COVENT GARDEN. 240 1066. THE ROYAL BALLET. Tonight 7.30 The Dream. Apollo. The Concert. Tomorrow 2.0 La Fille mal gardee. THE ROYAL OPERA. Tomor. & Wed. (Prom.) 7.0 Carmen (Please note new time). Mon. (Prom.) & Thur. (Prom.) 7.30 Fidelio. Tue. (Prom.) 7.30 La clemenza di Tito. Seats avail. Mon., Tue., Wed. & Thur. 65 Amphi seats for all perfs. for sale from 10 a.m. on day of perf.

COVENT GARDEN. PROMS. in assoc. with Midland Bank. 29 Mch. to 5 April 700 STALLS PROMENADE PLACES at 50p avail. from 1 hour before curtain up.

SADLER'S WELLS TH. Rosebery Ave. EC1. 837 1672. (Recorded Bkg. inf. 278 5450) Until April 10 The Scottish Ballet. Evs 7.30 Mats Sats 2.30. Ton't. & tomor. Tales of Hoffmann. Monday & Tues. Mary Queen of Scots. Wed. Giselle.

THEATRES

ADELPHI THEATRE. 01-836 7611. Evgs. 7.30. Mat. Thurs. Sat. 3.00. VIRGINIA McKENNA JOSS ACKLAND. A LITTLE NIGHT MUSIC. BEST MUSICAL OF 1975 AWARDS. Last 2 weeks ends April 3rd.

ALBERY. 836 3878. Last perfs. Tonight 8. Tomorrow 4 & 8.15. Best Performance of an Actress Evening Standard Award. DOROTHY TUTIN. TIMOTHY WEST. DEREK JACOBI. JOHN TURNER. A MONTH IN THE COUNTRY. "AN ECSTATIC EVENING." Sun. Tel.

ALBERY. 836 3878. Prevs. from April 6 at 8.15. Opens April 20 at 7. National Theatre Production. COLIN BLAKELY in EQUUS by PETER SHAFFER. Directed by JOHN DEXTER.

ALDWYCH. 836 6404. Inf. 836 5332. Royal Shakespeare Company. OPENS TONIGHT AT 7.0. THE MERRY WIVES OF WINDSOR (Subs. Evgs. 7.30. Mat. Wed., Sat. 2.0). LIMITED SEASON—BOOK NOW!

AMBASSADORS. 836 1171. Evgs. 8.0. Matinees Tues. 2.30. Sat. 5.30, 8.30. HAPPY AS A SANDBAG. THE WONDERFUL HIT MUSICAL. "Delightful. Don't miss it." Daily Exp.

APOLLO THEATRE. 01-437 2663. Evenings 8.30. Sat. 5.30 and 8.30. BARRY HUMPHRIES in HOUSEWIFE—SUPERSTAR!!

CAMBRIDGE. 836 6056. Evenings 8.0. Wed and Sat. at 5.0 and 8.15. LONDON'S FOREMOST FAMILY MUSICAL. THE BLACK MIKADO. "Best Musical 76 & probably 77" S.Tms.

COMEDY THEATRE. 01-930 2578. Evenings 8.0. Sat. 5.0 and 8.30.

GREENWOOD LONDON BRIDGE. [illegible] May 22. Evgs. 8.0. Mat. Sat. [illegible] Festival du Theatre Francais. Until April 3. ARRABAL. "A SUPERB PRODUCTION." Gdn. "TRIUMPH OF POETRY." Times. Simultaneous translation. 403 0592.

HAYMARKET. 930 9832. Evenings 8.0. Mat. Wed. 2.30. Sat. 5.0 and 8.15. Edward Woodward, Geraldine McEwan, Jennie Linden, Edward Hardwicke in Frederick Lonsdale's ON APPROVAL. "You should rush to see it." [illegible] "It got my approval." [illegible] "An evening of comic delight." Harold Hobson, Sunday Times.

HER MAJESTY'S. 930 6606. Evgs. 8. Mats. Wed. 2.30. Sat. 5.30 and 8.30. The New Hit African Musical IPI TOMBI. "PULSATING MUSICAL." Evg. News. "The huge cast is superb." Sun. Times.

KING'S ROAD THEATRE. 352 7488. Mon. to Th. 9.00. Fri., Sat. 7.30, 9.30. THE ROCKY HORROR SHOW. BEST MUSICAL OF THE YEAR. "Impossible to over-praise." Punch.

LYRIC IN REPERTORY. 437 3686. Tonight, Mon. Tues. Wed. 8.0. Tomor. 5.0 and 8.30. Mat. Wed. 3.0. JOAN PLOWRIGHT, HELEN MIRREN, JOHN MOFFATT, FRANK GRIMES and PETER McENERY in THE SEA GULL (Must end April 28th). Thur. April 1 to Wed. April 7 THE BED BEFORE YESTERDAY.

LYTTELTON (new National Theatre). 928 2252. Ton't. Tomor. 7.45. Tmr. 2.30. JOHN GABRIEL BORKMAN by Henrik Ibsen. 150 EXCELLENT £1 SEATS ON SALE DAY OF PERFORMANCE ONLY FROM 8.30 a.m.

MAYFAIR. 629 3036 — 493 2031. Mon.-Tu. 8.15. Fri. Sat. 5.45 and 8.30. James BOLAM Jane ASHER. Stephen MOORE in Christopher HAMPTON'S TREATS. "SENSATIONAL." Sunday Times. "VERY FUNNY." Observer. SEATS FROM 80p. THREE-COURSE DINNER AND SHOW £6.50 incl.

MERMAID. 248 7656. Food 248-2835. Evenings 8.15. Mats. Fri. Sat. 5.15. RICHARD BECKINSALE is "sidesplittingly funny" D. Mail in FUNNY PECULIAR. "Mike Stott's exceptionally fine, vastly entertaining, brilliant comedy." S. Times. "More good laughs than any other play in London." Observer. Seats from 75p. Dinner-Show £5.95.

NATIONAL THEATRE see under Lyttelton.

PALACE. 437 6834. Mon. to Thurs 8.00. Fri. and Sat. 6.00 and 8.40. JESUS CHRIST SUPERSTAR.

PHOENIX THEATRE SEASON 1976. FOR 7 WEEKS ONLY. Evenings 8.00. Mat. Thurs. Sat. 3.00. GLYNIS JOHNS. LOUIS JOURDAN. "A superb example in the art of farce playing." Daily Mail.

[illegible]

CINEMAS ARE CONTINUED ON PAGE 18

TV/Radio

† Indicates programme in black and white.

BBC 1

7.05 a.m. Open University (UHF only). 9.30 For Schools, Colleges. 12.45 p.m. Mid-day News. 1.00 Pebble Mill. 1.45 Andy Pandy. 2.02 For Schools, Colleges. 3.25 Pobol y Cwm. 3.56 Regional News (except London). 4.00 Play School. 4.25 Barbapapa. 4.30 Jackanory. 4.45 Dastardly and Muttley in their Flying Machines. 5.00 Crackerjack. 5.40 Captain Pugwash.
5.45 News.
6.00 Nationwide.
6.50 Sportswide.
7.10 "Lassie and Necka."
8.25 Wodehouse Playhouse.
9.00 News.
9.25 The Detectives.
10.15 To-night.
10.45 A Secret England.
11.15 Weather Regional News.
†11.17 The Friday Film: "Street of Sinners."

All regions as BBC 1 except at the following times:

Wales—1.45-2.00 p.m. Pili Pala. 6.00-7.10 Wales To-day. 7.10-7.30 Heddiw. 7.30-8.00 Sianel 5. 8.00-8.25 Ask The Family. 10.15-10.45 Kane on Friday. 10.45-11.15 Folk Club. 11.15-11.17 News for Wales.

Scotland—10.23-10.43 and 11.00-11.20 a.m. For Schools. 6.00-7.10 p.m. Reporting Scotland. 8.25-9.00 Current Account. 10.45-11.15 A Taste of Scotland. 11.15-11.17 News for Scotland.

Northern Ireland—3.58-4.00 p.m. Northern Ireland News. 6.00-7.10 Scene Around Six. 10.45-11.15 Gallery. 11.15-11.17 News for Northern Ireland.

England—6.00-7.10 p.m. Look North (from Leeds, Manchester, Newcastle); Midlands To-day (from Birmingham); Look East (from Norwich); Points West (from Bristol); South To-day (from Southampton); Spotlight South West (from Plymouth). 10.45-11.15 North (from Leeds) The Rating Game; North West (from Manchester) Home Ground; North East (from Newcastle) Movie Makers; Midlands (from Birmingham) It's Your Affair; West (from Bristol) Quiz West; South West (from Plymouth) Peninsula; South (from Southampton) The Young Question; East (from Norwich) Newscue.

BBC 2

6.40 a.m. Open University.
11.00 Play School.
5.00 p.m. Open University.
7.05 Mr. Smith's Vegetable Garden.
7.30 Newsday.
7.50 Pioneers of Photography.
8.15 The Money Programme: The Crown Agents.
9.00 Open All Hours.
9.20 Battle of the Sexes.
10.00 Playhouse.
10.50 Gilbert White Lived Here.
11.05 Newsnight.
11.20 Closedown: Robert Hardy reads "When Summer's End is Nighing," by A. E. Housman.

LONDON

9.30 a.m. Schools Programmes. 12.00 A Handful of Songs. 12.10 p.m. Mr. Trimble. 12.30 Paint Along With Nancy. 1.00 First Report: News, FT index. 1.20 Lunchtime To-day. 1.30 Couples. 2.00 Good Afternoon Money-Go-Round. 2.20 Racing from Doncaster. 3.55 General Hospital. 4.20 Four Idle Hands. 4.50 Magpie. 5.20 University Challenge.
5.50 News from ITN.
6.00 The London Report.
6.35 Crossroads.
7.00 Sale of the Century.
7.30 Yes—Honestly.
8.00 Police Woman.
9.00 Hadleigh.
10.00 News.
10.30 Police Five.
10.40 Russell Harty.
11.30 The Collaborators.
12.30 a.m. Christians in the East End.

All ITV regions as London except at the following times:

ANGLIA

1.25 p.m. Anglia News. 2.00 Food File. 6.00 About Anglia. 8.00 The Magician. 10.30 Probe. 11.00 Late Night Movie: "The Bait." 12.20 a.m. Your Music at Night.

ATV MIDLANDS

1.20 p.m. ATV Newsdesk. 5.20 Indoor League Championship of Champions. 6.00 ATV Today. 7.00 Now Who Do You Do? 7.30 Hawaii Five-0. 8.30 Sale of the Century. 10.30 Extra Time. †11.00 The Monster Movie: "The Colossus of New York."

BORDER

†1.20 p.m. Border News. 6.00 Border News and Lookaround. 7.00 Mr. and Mrs. 8.00 Hawaii Five-0. 10.30 Orson Welles Great Mysteries. †11.00 Late Night Movie: "The Shadow of the Cat," starring Andre Morell. †12.27 a.m. Border News Summary.

CHANNEL

1.20 p.m. Channel Lunchtime News and What's On Where. 6.00 Report at Six. 7.00 Treasure Hunt. 7.30 Hawaii Five-0. 8.0 Now Who Do You Do? 10.30 The Thrillseekers. 10.50 Late Night Film: "Who Killed Teddy Bear?" 12.25 a.m. News and Weather in French.

GRAMPIAN

1.20 p.m. Grampian News Headlines. 5.20 Ask About America. 6.00 Grampian Today. 7.30 Hawaii Five-0. 8.30 Anna. 10.30 Indoor League Championship of Champions. 11.00 Late Horror Show. "The Curse of Frankenstein" followed by road and ski report. 12.30 a.m. Evening Prayers.

GRANADA

1.20 p.m. This Is Your Right. †5.15 Chuckleheads. 5.20 Crossroads. 6.00 Granada Reports. 6.35 Police Surgeon. 7.05 Not On Your Nellie. 7.35 Sale of the Century. 8.05 The Magician. 10.35 Kick-Off. †11.00 For Adults Only: "Oscar Wilde" starring Robert Morley and Ralph Richardson.

HTV

1.20 p.m. Report West Headlines. 1.25 Report Wales Headlines. 2.00 Women Only. 5.20 Daily Fable. 5.25 Crossroads. 6.01 Report West. 6.18 Report Wales. 6.35 Space 1999. 7.30 Sale of the Century. 8.00 The Streets of San Francisco. 10.30 Sweet Somerset. 11.00 Madigan.

HTV Cymru/Wales—As HTV General Service except: 1.20-1.25 p.m. Penawdau Newyddion y Dydd. 4.20-5.20 Sioslon Cantamil. 6.01-6.18 Y Dydd. 10.30-11.00 Outlook.

HTV West—As HTV General Service except: 1.20-1.30 p.m. Report West Headlines. 6.18-6.35 Report West.

SCOTTISH

†1.25 p.m. Road and Weather Report. 2.00 Housecall. 5.20 Babar. 5.25 Crossroads. 6.00 Scotland Today. 6.30 Ask About America. 7.00 Don't Drink The Water. 7.30 Sale of the Century. 8.00 Studio "A" Startime. 10.30 Ways and Means. 11.00 Late Call. †11.05 Late Night Thriller: "Twenty One Days" starring Laurence Olivier and Vivien Leigh.

SOUTHERN

1.20 p.m. Southern News. 2.00 Women Only. 5.20 Punch Trunk. 5.25 Crossroads. 6.00 Day by Day (Channels 6, 11, 27, 42, 55 and 60). 6.00 Scene South East (Channels 10, 47, 54 and 66 only). 6.35 Out Of Town. 7.05 Now Who Do You Do? 7.35 Mystery Movie: Banacek. 10.30 A Southern Report. 11.00 "The Horror of Dracula" starring Christopher Lee and Peter Cushing. 12.25 a.m. Southern News Extra.

TYNE TEES

9.25 a.m. Starting Point. 1.20 p.m. Lunchtime News and Lookaround. 6.00 North East News. 6.05 Division. 7.30 Cartoon Time. 7.35 Dying Room Only. 10.30 Sportstime. 11.00 The Friday Night Film: "Man in the Attic" starring Jack Palance. 12.30 a.m. Epilogue.

ULSTER

1.20 p.m. Ulster News Headlines followed by Lunchtime. 4.18 Ulster News Headlines. 6.00 UTV Reports. 6.25 Police Six. 7.00 Now Who Do You Do? 7.30 The Magician. 8.30 Sportscast. 10.30 Friday Film: "No Man of Her Own," starring Barbara Stanwyck.

WESTWARD

12.25 p.m. Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 6.05 Westward Diary and Sports Desk. 7.00 Treasure Hunt. 7.30 Hawaii Five-0. 8.30 Now Who Do You Do? 10.32 Westward Late News. 10.35 Late With Danton. †10.50 Late Night Film: "Who Killed Teddy Bear," starring Juliet Prowse. 12.25 a.m. Faith for Life.

YORKSHIRE

1.20 p.m. Calendar News. 6.00 Calendar. 7.30 Cartoon Time. 7.35 The Magician. 10.30 Calendar Sport. 10.45 The Friday Night Film: "The Oscar," starring Stephen Boyd and Elke Sommer.

RADIO 1 247m

(S) Stereophonic broadcast

6.00 a.m. As Radio 2. 7.00 Noel Edmonds. 9.00 Tony Blackburn. 12.00 Johnnie Walker, including 12.30 p.m. Newsbeat. 2.02 David Hamilton (S) (also on VHF). 4.00 Rosko's Round Table. 5.45 Newsbeat. 6.02 Sam Costa (S) (joins Radio 2). 11.00 John Peel (S) (also on VHF). 12.00-12.05 a.m. As Radio 2.

RADIO 2 1,500m and VHF

6.00 a.m. News Summary. 6.02 Don Durbridge (S) including 6.15 Contact. 7.02 Terry Wogan (S) including 8.27 Racing Bulletin. 8.45 Contact. 9.02-11.30 Pete Murray's Open House (S) including 10.30 Waggoners' Walk. 11.30 Jimmy Young (S). 1.55 p.m. Good Listening (VHF). 2.02 David Hamilton (S) as Radio 1, but including on 1,500m. only (also 202m. Scotland) 2.45 and 3.45 Sports Desk. 3.05 and 3.35 (1,500m. only) Racing from Doncaster. 4.30 Waggoners' Walk. 4.45 Sports Desk. 4.47 Sam Costa (S) including 5.45 Sports Desk. 6.45 Sports Desk. 7.02 Treble Chance Knockout Quiz. 7.30 Play It Again (S). 8.02 John Fox conducts the BBC Radio Orchestra (S). 9.02 Friday Night is Music Night (S). 10.02 Sports Desk. 10.05 Jim Macleod and his Band in the Radio 2 Ballroom (S). 11.02 Len Jackson with The Late Show (1,500m. only, also 202m. Scotland. VHF joins Radio 1). 12.00-12.05 a.m. News.

RADIO 3 464m, Stereo & VHF

‡ Medium Wave only

7.00 a.m. News. 7.05 Overture (S). 8.00 News. 8.05 Morning Concert (S). 9.00 News. 9.05 This Week's Composer: Victoria (S). 9.45 BBC Northern Ireland Orchestra (S). 10.30 Piano Recital (S). 11.20 Sing We At Pleasure (S). 12.05 p.m. Midday Prom, part 1 (S). 1.00 News. 1.05 Playbill (S). 1.20 Concert, part 2 (S). 2.00 English Bach Festival 1975, part 1 (S). 2.40 In Short (talk). 2.50 Concert, part 2 (S). 3.30 The Shostakovich Symphonies (S). 4.25 New Records (S). 5.25 Pied Piper (S). ‡5.45 Homeward Bound. ‡6.05 News. ‡6.10 Homeward Bound (continued). ‡6.30 Lifelines: Leisure and Recreation. 7.30 "Die Entfuhrung Aus Dem Serail," opera in three acts, music by Mozart, Acts 1 and 2 (S). 9.10 Vanbrugh and the British Style (talk by Kerry Downes). 9.30 "Die Entfuhrung." Act 3 (S). 10.40 Permanent Exile: Joseph Roth (1894-1939). 11.25-11.30 News.

Radio 3 VHF only—6.00-7.00 a.m. and 5.45-7.30 p.m. Open University.

RADIO 4

434m, 330m, 285m and VHF

6.20 a.m. News. 6.22 Farming Today. 6.40 Prayer for the Day. 6.45 Today including 6.50 VHF Regional News. 6.55 Weather, programme news. 7.00 News and more of Today including 7.27 Sportsdesk. 7.35 Today's Papers. 7.45 Thought for the Day. 7.50 VHF Regional News. 7.55 Weather, programme news. 8.00 News and more of Today including 8.27 Sportsdesk. 8.35 Today's Papers. 8.45 Yesterday in Parliament. 9.00 News. 9.05 Voice of the People (from 8.40). ‡10.00 News. ‡10.05 Checkpoint. 10.30 Daily Service. ‡10.45 Morning Story. ‡11.00 News. ‡11.05 The Great Musicals "Guys and Dolls." ‡11.50 In My Own Time. 12.00 News. 12.02 p.m. You and Yours. 12.27 Oh, Get On With It. ‡12.55 Weather, programme news VHF (except London and SE) Regional News. 1.00 The World At One. 1.30 The Archers. 1.45 Woman's Hour (from 2.00) from Cardiff including 2.00-2.02 News. ‡2.45 Listen with Mother. 3.00 News. 3.05 Afternoon Theatre. 4.00 News. 4.05 Any Answers? 4.35 Story Time. 5.00 PM Reports. ‡5.50 Financial Report. VHF Regional News. 5.55 Weather, programme news. 6.00 News. 6.15 Brain of Britain 1976. 6.45 The Archers. 7.00 News Desk. 7.30 Pick of The Week. 8.30 Any Questions? 9.15 Letter from America. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.45 A Book At Bedtime. 11.00 The Financial World Tonight. 11.15 Today In Parliament. 11.25 Week Ending . . . 11.40 News.

For Schools (VHF only) 9.00 a.m.-12.00 and 2.00-3.00 p.m.

BBC Radio London

206m and 94.9 VHF

6.00 a.m. As Radio 2. 6.30 Susie Barnes with Rush Hour. 9.00 Richard Vaughan with Downtown. 11.03 In Town. 12.03 p.m. David Simmons' Call In including 12.45 London News Desk. 2.03 Paul Owens with 206 Showcase. 3.45 The London Gardener. 4.03 Lobby. 4.32 Tony Fish with Home Run including 5.00 and 6.00 London News Desk. 6.10 Carry on Councillor. 6.30 Sportsfield. 7.00 In Town (as 11.03 a.m.). 8.00 Good Fishing. 8.30 Black Londoners. 10.03 Single File. 12.00-12.05 a.m. As Radio 2.

London Broadcasting

261m and 97.3 VHF

5.00 a.m. Morning Music. 6.00 "A.M."—breakfast-time show. 10.00 Brian Hayes. 1.00 p.m. Newswatch. 5.00 Newsbreak. 7.30 Arena. 9.00 David Bassett. 1.00-5.30 a.m. Nightwatch—news every half-hour.

Capital Radio

194m and 95.8 VHF

6.00 a.m. The Breakfast Show. 9.00 Michael Aspel. 12.00 Cash On Delivery. 3.00 p.m. Roger Scott. 7.00 London Today. 7.30 Open Line. 9.00 Rock Show. 11.00 Tony Myatt. 2.00 a.m. Night Flight.

F.T. CROSSWORD PUZZLE No. 3,039

ACROSS

1 Sand in water is but this clue isn't (9)
6 Gripping tool—it's an immoral habit (4)
9 Approaching a turning point or reviving a decisive moment (6, 2, 1, 6)
10 Sick before and after start of work creating enmity (3, 4)
11 Diviner arranged for convenient parking (5-2)
12 Go in and record (5)
13 Ratify and be pleased with (7, 2)
16 Could be lost but not possessed (9)
18 Weapon for oriental in box (5)
19 Came in a Rolls-Royce before four with editor (7)
22 We left food for prosperity. (7)
23 The skill of drawing a piece on board vessel (15)
24 Collar fastener for a collection of horses (4)
25 Sycophants—or passengers without seats? (7-2)

DOWN

1 Have preference for ramps to parts of hospitals (7, 7)
2 Weak person, unaffected but not getting up (9)
3 One who is taller and thinner—and limper, that is right (7)
4 Old weapon wielded by formidable female? (6-3)
5 Type of antelope from eastern country (5)
6 I go green before giddiness (7)
7 Social class of actors going to the east (5)
8 Physically compelling or employing police on (5, 5, 4)
14 Station warrant officer and soldier providing letter-carrier (9)
15 Closely observe whips—female ones are often false (9)
17 Stormed round state and destroyed (7)
18 License to stop speaking? (7)
20 Cook in right type of oven (5)
21 Land in the sea or by the roadside (5)

SOLUTION TO PUZZLE No. 3,038

TITIAN MANIOC
MILLION COMPACT
BEGINNINGS SETH
POSSE HYSTERIA
LIVE IT UP NACRE
MATE SHIKOR SWIM
WETHERS MATILDA
YANKEE PENSON

هكذا من الأصل

Fond records

by NIGEL ANDREWS

Film Theatre Curzon
ipper and the Rose (U) Empire
's Man (A) Odeon, Marble Arch
ell-Out (AA) Warner West End

possible successfully to r stage plays to the to bend a medium that s on the spoken word, and e movement of actors a fixed space, to the ments of a medium whose ities are the fleeting the changing perspective, id contrasts of landscape ting?

ma history suggests that And orthodox solutions ailed so far to produce a method of tackling the n. Some films opt for the ng out" process: hoping athe fresh air into the ll conventions of a stage by extending the action rior scenes and location Other films stick with an perverse fidelity to the rs of the original: Hitch-Rope, for example, which in a single apartment ngle evening in a single n fact in a series of ten-takes, but the cuts are gnised as to make the seem continuous). Finally, are the films that opti-lly mix the two—Olivier's I III, Lumet's Long Day's y Into Night—and hope by lous combination of styles to ease and tease the to the screen.

e is no answer to the play-n problem that does not newhere on the sliding etween theatrical fidelity nematic "opening out." within these defining as there is still room for n and experiment, and w season of British Film at the Curzon cinema is hunting ground for all rs interested in the prob-even stage plays have been into seven feature films, e stress is on fidelity to iginals. The films are in ases "records" of stage nances already seen (and ned), using the same casts e same directors; but the has been made on the principle that these per-nces are worth preserving and that even a "stagy" cord is better than no film at all.

ch, with some exceptions, ould endorse. The excep-are those rare stage per-nces that simply wither and being removed from their l habitat; to whom the on and distance of the nium stage are an essen-ement of support. Olivier's o, for example, was elec-n the theatre, but on the the latent caricatural y in the performance—the make-up, the rolling eyes, otund vowels—were cruelly ghted. It may have been me production we saw on as we saw on stage, but s hardly the same experi-The camera is merciless ifice and exaggeration, and anger of all play-into-film ation is that the actors and or will fail to write their ation sufficiently small. British Film Theatre largely avoids this danger

Richard Chamberlain and Gemma Craven in 'The Slipper and the Rose'

—those films at least that I have seen—but the style of the films is as variable as one would expect from such a motley cross-section of writers and directors: among the former being Bertolt Brecht, David Storey, John Osborne and Jean Genet; among the latter Joseph Losey, Tony Richardson, Guy Green and Lindsay Anderson.

Harold Pinter's production of Simon Gray's *Butley* is showing at the Curzon until next Thursday and is one of the best of the series: Gray's story of a day in the life of a dishevelled and acerbic university teacher being played to the hilt by Alan Bates and directed with fine comic precision by Pinter. To follow in the coming weeks are Tony Richardson's *A Delicate Balance*, Losey's *Galileo*, Christopher Miles's *The Maids*, Guy Green's *Luther*, Peter Hall's *The Homecoming* and Lindsay Anderson's *In Celebration*. Anderson's film, I suspect, is the pick of the bunch (I have seen it, but I haven't seen all its rivals). I shall write about it at greater length—and about the other films—when they reach the Curzon.

★

The Slipper and the Rose is a 2½-hour musical version of the Cinderella story; with music and lyrics by the two Sherman brothers (of '*Mary Poppins*' fame), direction by Bryan Forbes and a screenplay co-written by all three. Coming a week after Nicolas Roeg's *The Man Who Fell To Earth*, it suggests either that reports of the death of the British cinema are greatly exaggerated, or else that no expense is being spared in endeavouring to give the dying patient a happy send-off.

Fairy tale castles, glitering Ruritanian costumes, an all-star cast. It might all have been too much of a good thing, but *The Slipper and the Rose* turns out to be both jollier and defter than one could have hoped from its sizeable running time and even more sizeable budget. The script has an appealingly no-nonsense approach to the characters—Richard Chamberlain's Prince is spirited as well as pretty. Annette Crosbie's Fairy Godmother has a bustling, good-natured directness—and although the songs tend toward the treacly at moments of sentimentality, the comic numbers are cleverly written and resourcefully choreographed (by Marc Breaux).

Most successful is Forbe's casting of his stars in unexpected character parts: Kenneth More as a long-winded Lord Chamberlain, Michael Hordern as a dithery King, Margaret Lockwood as a Wicked Lady stepmother, Edith Evans as a gurgling and dotty Queen Mother ("Who are these people?" is her constant querulous refrain in the crowded court-room). The only unfamiliar face on view is that of Gemma Craven, who in her first film role provides a commendably attractive and well-sung Cinderella. All in all, a film that might have been an embarrassing and overlong folly (and is still, at 146 minutes, stretching things a little) turns out to be a small triumph of charm, imagination and good taste.

★

Is Israel taking over the commercial film industry? Hot on the heels of *Moses* and *Diamonds* come *Rachel's Man* and *The Sell-Out*: the first a jaunty Biblical account of Jacob's 21-year stay on Laban's farm and of his unorthodox liaison with the latter's two daughters Rachel and Leah, the second a noisy, Peter Collinson-directed thriller set in Jerusalem and starring Richard Widmark and Oliver Reed as rival CIA agents. I would not recommend a visit to either film, but of the two *Rachel's Man* is marginally better entertainment value: the Sunday school propriety of its subject matter being offset by a breezy script, a wayward sense of period and a sly, funny, shamelessly anachronistic performance by Mickey Rooney as Laban.

★

"Theatrical" is a word that was often applied to the films of Luchion Visconti. The Italian director, who died last week at the age of 69, succeeded more than any other film-maker of his time in showing that a fruitful relationship could exist between the world of theatre and the world of film: and, more specifically, between film and opera.

Although Visconti first achieved recognition as a Neo-realist director, with *Ossessione* and *La Terra Trema* in the 1940s he was never merely a passive chronicler of social reality. He was a stylist, even an aesthete, from the beginning—swathing his films in chiaroscuro, using giant, glowing close-ups, revelling in the extremes of shade and texture and perspective that the cinema alone among the "living" arts can offer. Operatic is often simply a synonym for oversize, but in Visconti's best work—*Senso*, *Rocco and his Brothers*, *The Leopard*—he used the cinema's visual richness and versatility to extend, not merely to imitate, the hieratic splendours of operatic expression.

Visconti's recent work I have not liked so much. *The Damned*, Visconti's *Götterdamerung* of the Third Reich, seemed to me operatic in the bad sense — a painted, hyperbolic film in which confusion as to Visconti's precise intentions was worse confounded by some perverse casting (Dirk Bogarde as a sort of Teutonic Macbeth). *Death In Venice* was praised to the skies by most critics, but I thought it one of Visconti's most fussy and disappointing films; the writing of Thomas Mann and the music of Mahler used as clothes-pegs for a cloyingly nostalgic recreation of fin-de-siècle Venice. As for *Conversation Piece* . . . well, posterity will judge. A fascinating idea, it seemed to me to fall apart in execution under the combined blows of some atrocious dubbing and Visconti's oddly stilted and schematic screenplay.

In many ways, I think that Visconti will be remembered more for the possibilities he opened up in cinematic expression than for the completed films he actually left behind. A parsimonious judgment, perhaps, but one that accords with the fact that when one thinks of Visconti one thinks less of a tangible body of work than of the creative personality that lay behind it: a rich, daring, innovatory personality who in a cinematic age is diffident and directionless as our own will, I suspect, be sorely missed.

Sadler's Wells Theatre

Scottish Ballet Gala

by CLEMENT CRISP

It is nearly six years since Scottish Ballet was at the Wells. Then the company had just acquired its Hibernian identity; now, during the next two weeks, we are to see just what has been achieved by our one important regional troupe. Matters of repertory, even of identity, will be there for us to savour and appreciate. Wednesday's opening gala was not, I suspect, entirely fair on the troupe, or on Peter Darrell's aims and achievements.

We began with the grand pas from *Paquità*, a celebrated old Maryinsky show-piece calling for ballerinas to flaunt themselves in the mock-Spanish delights of Petipa's choreography, to the even more improbably Spanish cadences of Minkus and Deldevez. I have seen it done supremely well by the Kirov, who understand its style and can enjoy the ferocious stylistic and technical demands of its choreography, and it would be idle to pretend that the Scottish dancers—led by a Japanese principal—can make anything of a Frenchman's view of Spanish frivolity and bravura for a Russian audience, to tunes by a Hungarian. Apart from this United Nations aspect of the affair, I am reluctant to make any further comment.

There is little to report, either, on the succeeding pas de deux, *Belong*, fragment from a larger piece entitled *What to do till the Messiah Comes*. My own reaction to these instructions is to try to forget Norbert Vesak's derivative choreography as soon as possible, to wish the admirable Elaine MacDonald and Graham Bart something worthier of their talents, and to hope never again to have to suffer the repellant rock score by Syrinx.

La Fête Etrangè, which came next, was altogether more praiseworthy. This beautiful, understated and poetic work calls for the greatest sensitivity in interpretation, and I liked the seriousness of Elaine MacDonald, Kit Lethby and Graham Bart as the Chatelaine, the boy and the nobleman. The performance was unusual in that the Fauré music was given in its original piano form, but advantages to musical texture—clearer, naturally, than in the usual orchestration—were not always outweighed by the dragging tempi which distorted several incidents, notably in the *Jardin de Dolly* sequence, and worst of all in the song *Mandoline*, well sung by Patricia Kern, but so long-drawn-out that its guitar rhythm and the shape of the choreography were both lost. There was inevitably some loss of choreographic nuance, but in the main the ballet retained its snow-muffled intensity very well.

And to close the evening on a truly gala note, Dame Margot Fonteyn in *The Scarlet Pastorale*, Peter Darrell's clever homage to the Yellow Book, with Philip Prowse's masterly decor and costumes to show us Beardsley plain. Anthony Dowell was the nobleman hero, beautiful in debauchery, and the attendant grotesques from *The Toilet of Venus* strutted and postured wonderfully well. But the piece belongs to Dame Margot, and she defies time and her own lyric greatness by transforming herself magnificently from the innocent girl of the first scene into the diseased termagant of the latter section. There are moments that recall her mocking Dulcinea in Dame Ninette de Valois' *Don Quixote*, but the vicious energy with which she turns on the hero is something new and exciting. *The Scarlet Pastorale* is a work of sure choreographic craft; a vehicle, maybe, but one that travels with speed and a fine dashing bravura, with Dame Margot driving it along in grand style.

Shaw

British-American—3

by DOMINIC GILL

The third concert on Wednesday of the Park Lane Group's British-American Music series, which runs all this week at the Shaw Theatre under the umbrella of the Camden Festival, was a piano recital, and all-American. The pianist was Craig Sheppard, who framed his programme with two of the best-known and best-loved warhorses of the post-war mainstream American keyboard repertory—Samuel Barber's sonata, and the Fantasy of Aaron Copland.

I have never personally found either a particularly sympathetic work, but recognise in both engaging qualities: notably in the Copland, a toughness and clarity of musical language, single-mindedness of purpose, deftness of touch. Sheppard's performance strove for the heroic, and occasionally achieved a kind of wild, impressive command: it had the makings of an interesting and beautiful reading—with an odd, hysterical edge, zapping at some of the high, single notes as if they were dangerous scorpions.

Instead of the advertised first British performance of all 12 of Volume I of George Crumb's *Makrokosmos*, we heard four of Crumb's tiny *Five pieces for piano* (1962)—less interesting, less elaborate, less fine-grained in effect than the *Makrokosmos*, and played by Sheppard without a great deal of evident love, a little rushed and breathless.

He also gave five little pieces called *Invisible Drummer* by the conductor André Previn, based in somewhat impalpable fashion on "jazz improvisations," and dedicated to Vladimir Ashkenazy. The title refers to a certain inexorable something in the music, somewhere. They are five really terrific little compositions, all wrapped up in Debussy, Poulenc, Prokofiev, Gershwin and Adam Carse, which might sound tragic, if they did not sound so funny. An alternative title, I understand, is *Footsteps in the Porridge*.

Royal gala for Shelter

There will be a gala performance of Shaw's *Widowers' Houses* at the Wimbledon Theatre on Monday next, March 29, in aid of Shelter's National Campaign for the Homeless. Princess Margaret will attend.

This will mark the beginning of the Actors' Company's season at Wimbledon. The two-week season will be completed by Alan Ayckbourn's *How the Other Half Loves*, and the company will then take these two productions on a seven-week tour of Latin America.

Tickets for the gala (from 50p to £10) are obtainable from the theatre box office.

American Bicentennial at Coventry

Coventry Cathedral announces that it is to hold a festival celebrating the American Bicentennial from June 24-July 18. Mrs. Anne Armstrong, the United States Ambassador, will visit the Cathedral on June 24 to open the proceedings.

erion

Gaslight

by B. A. YOUNG

gh on its first appearance 9 we thought Patrick on's *Gaslight* a superior it is sad that it should revived at the Criterion. ot because on maturer ht it is not such a good as we thought, but be-ne Criterion of all places, 's lights shining out over lly Circus, ought to be some choice example of tish theatre of to-day. ppose in those carefree '30s was enough for us to be without too many ques-ked. Poor Bella Manning-unningly driven towards by her brutal husband, a character to identify Her hair-breadth escape is final vengeance, when persuaded her that the om Inspector Rough was e than one of her usual lusions, should pump up enalin flow.

are questions to be though. (Those content xcited without examining se need not ask them but back while their blood The most fundamental concerns Jack's decision id of his wife by driving d, a difficult and rather process, when as we know nspector Rough he has a murder to his credit. course, the answer is gives Hamilton two good in his last act, but this ly an adequate answer. returned after 20 years iouse where he believes a ed woman's jewels are even so whole-hearted a as Jack would surely und an easier way to is wife out of the way; when the plot had been maturing the presence a at all is an awkward especially when Jack's ie lower down the social eginning with the house-

nk the Inspector's pro-s call for inquiry, too. In torian days a lady, even a lady as Bella, would have received a strange her drawing-room with-ing his name, let alone n him there for half an hough the housekeeper isemaid knew of his pre- As for his re-entry in k of time to save Bella eing locked up and certi-is a very melodramatic delayed relief indeed, for, ells us, he has been wait-the adjoining room, pre-y, like Raina in *Arms and the Man*, until a suitable line gives him his cue for rescue.

Well, perhaps I am judging the play by standards too high, though the resonant dialogue suggests a serious aim.

Robert Young, the director, has evidently taken the play seriously, anyway. He has Anton Rodgers for Jack Manningham, a great practitioner of calculated cruelty, seldom raising his voice as he practises his enormities on Nicola Pagett's urgently smiling Bella, smiling through her agony, smiling through her relief, smiling in her final revenge. Peter Vaughan is a most consoling Inspector Rough, a great shambling chap, grey whiskers rimming his rubicund face, a positive Vaughan Williams of a detective in whose presence not even timid little Bella could be scared for long.

BBC marks Edgar Wallace birthday

The BBC will celebrate the 101st anniversary of Edgar Wallace's birth with a television programme written and narrated by James Cameron and a radio broadcast of his play, *On the Spot*.

Cameron's "documentary biography," *Edgar Wallace—The Man Who Made His Name*, will be shown on BBC-1 TV on Thursday, April 1, the date of Wallace's birth. *On the Spot* will be broadcast on BBC Radio 4 on Saturday, March 27 at 8.30 p.m.

Coliseum

Don Carlos

by MAX LOPPERT

The English National Opera's *Don Carlos* is at best a neutrally efficient production, at worst (as in the *Auto-da-fe* scene, with its tasteless, trivial Ken Russellisms) an uncomprehending response to the all-encompassing breadth and humanity of Verdi's Grand Opera. At Wednesday's revival, however, it was raised high above expectation by a cast nowhere less than competent, that rose to greatness in its Elisabeth de Valois, Josephine Barstow.

Miss Barstow's Elisabeth, new to London, already admired in Wales, is the kind of performance likely to spoil others for some while to come. The part is often imagined and played in one key, a mute, suffering reserve that tends to emphasise the rich, glowing life of the surrounding characterisations. This was the first Elisabeth of my experience to understand the agonised decisions of the role, to search out and vivify its active moral struggles, to manifest throughout the opera ceaseless growth to the magnificently heroic resignation and courage of her final scene.

Though details of Miss Barstow's acting might be exampled (an eloquence of hurt-sustained hand and head movements that shame the whole undemonstrative breed of opera actors), or the new expansive fulness of her singing (with a flairng quality above the stave to match those intensely individual tones below), or the hungry urgency with which she delivered the words, that would be to rob the portrayal of its wholeness, the quality of fusion in which word, bearing and voice are carried on a single impulse. The performance was not a surprise; the surprise was the amplification of the drama, the added resonances and insights, that a dominant, fully engaged Elisabeth brings to even so thoroughly performed an opera as *Don Carlos*.

None of the other players quite reached this level; yet the advantage of the youthful, darkly dramatic, vocally exultant Eboli offered by Elizabeth Connell was to draw strikingly helpful contrasts between queen and princess. Once too often Miss Connell pirouetted from passion; what a pleasure, even so, such untrammelled resources. Inevitably, the more conventional Carlos (Tom Swift) and the too-youthfully suave Posa (Christian du Plessis) struck no such sparks; but Mr. Swift at least has filled out his earlier sketch with manly solidity and firmness of voice. Only Clifford Grant's Philip remains disappointing—a grand voice not always used with distinction, a dramatisation secure in externals whose inner life is only fitfully evidenced. A word for John Tomlinson's Monk and Anne Conoley's perky Page, now a little too bouncy for court decorum. Mark Elder, the conductor, favours slow, sombre tempi spread and maintained on this occasion with real Verdian nobility; in the final duet he was a most sensitive accompanist. There is a senseless cut in the "new" opening chorus.

New Victoria

Fats Domino

As the Teddy Boys quietly drifted to the front of the stalls to gaze at the man inevitably introduced as a Living Legend Fats Domino wiped away the sweat with his white handkerchief and softly played "Sentimental Journey" on the piano. It was the right ending to a brief, reverent, glimpse of everyone's past.

Fats Domino did not invent Rock music. After the Elvis Presley phenomenon the addicts of the new sound suddenly discovered that this New Orleans piano player had been pounding out the beat quite naturally since 1949. In the early days, his songs, like "Ain't that a Shame," were covered by Pat Boone and other, more acceptable, white artistes but soon Fats Domino was awarded a place near the top of the pop hierarchy and he needs only to make the occasional tour to pack theatres with nostalgia.

It took some time to create the right mood at the New Victoria on Wednesday. Little thought goes into production on these occasions and a rather sad support group, an interval, and a long introductory set from the Fats Domino Band hardly built up any excitement to welcome the "King of the Big Beat."

There were a few antics from one of the saxophone players who seems to be official clown and crowd-rouser in the nine-strong band, and Fats showed that even at 48 he can still push a piano across a stage, but in the main it was a subdued evening. Casually and rather breathily he disposed of the memories of many million teenagers with songs like "Ready, Willing and Able," "Blue Monday," and the expected finale "Blueberry Hill." Then it was suddenly over. The first-house audience shuffled sedately out like any group of solid middle-aged citizens while those for the next show crowded in vainly to seek for the past. Fats Domino will fail to bring it back but at least he shatters no illusions. It is a rather kindly, ordinary show, which is just about as it should be.

ANTONY THORNCROFT

WORLD TRADE NEWS

ECGD studies currency scheme

BY MARGARET HUGHES

THE EXPORT credits Guarantee Department has confirmed that it has been discussing with British bankers the possibility of extending its export credit guarantee scheme to help exporters meet the cost of exchange rate fluctuations.

The talks between the department and the banks have been going on for some time. It is likely that some arrangement will be agreed but invoicing and other difficulties have still to be resolved so that no decision is expected for some months — possibly not until early summer.

The existing guarantee is sterling based—regardless of whether the buyer is invoiced in sterling or a foreign currency. The problem for the exporter is that should a buyer default on a contract concluded in a foreign currency, the repayment made under the ECGD scheme is based on the sterling rate prevailing at the time when the contract was signed rather than the rate ruling at the time of default.

Exporters normally cover themselves through the forward exchange market. But because the rate at which they are repaid by ECGD is often quite different from the rate at the time of default they find themselves short. They are then forced to buy foreign currency spot to meet their forward exchange commitments.

There is no question of ECGD providing exporters with a straight insurance against fluctuations in the rate of sterling. What is more likely is that the department may agree to make repayments at the sterling rate prevailing at the time of default. This, however, raises the problem of the statutory liability limits under which ECGD itself operates. If repayments were to be made at unknown future rates then its own liabilities position would, inevitably, be unquantifiable. Legislation would therefore be needed to overcome this problem.

The department is also understood to be looking at the additional currency difficulties encountered with the very large long term contracts where forward exchange cover is only available for up to five years and, in the case of some currencies, only up to 12 or 18 months.

Japanese Government may be curbing car exports to Britain

BY PETER DUMINY

TOKYO, March 25.

THE EXISTENCE of a combination of administrative guidance and manufacturer's voluntary restraint on Japanese car exports to Britain, was announced to the world to-day by Japan's biggest circulation newspaper, Asahi Shimbun.

According to the report, the Ministry of International Trade and Industry is requiring quarterly shipment proposals from five makers. MITI "apparently" asked them to cut export plans by a uniform percentage in January-March, and will need to do so again in respect of April-June, the newspaper claims.

All this comes as a shock to the Japanese car manufacturers, from whom a typical comment (Toyota's) is: "We don't know anything about it."

The formal position is what it has been for the past several months—ever since the Secretary of State for Trade, Mr. Peter Shore, was in Japan last September. It has two parts. On the one hand the Japanese manufacturers vehemently deny they will be party to voluntary export restraint arrangement. On the other hand, the industry has indicated its willingness to make periodic "predictions" about sales in Britain, which to date have proved both acceptable to the British, and accurate.

The latest prediction was that made by the Japanese industry delegation which went to London in December, and which said there would be no increase in Japanese market penetration for the January-March quarter "at least." At the time it was also agreed there would be more bilateral industry talks about mid-year.

Sales performance in the April-June quarter is not covered by any formal prediction, but the Japanese say there are no indications of British anxiety about the prospects. Thus it appears that Japan's share of retail sales in the U.K. will remain 9 per cent.

Renault plans return

TOKYO, March 25.

RENAULT CARS will reappear in the Japanese market probably late this year after a three-year absence.

The Japanese foreign car distributor Capital Enterprise said it has concluded an agency contract with Renault for sales of small cars in Japan. The Japanese distributor also handles British mini Coopers whose exports to Japan are to be halted next month due to the rigid Japanese emission controls.

Renault's five-seater GTL model is now being tested here for the tough 1976 emission control standards, it said. Capital Enterprise added it is confident the car would pass them soon and plans to apply for official model certificates this May to begin marketing in the autumn.

Reuter

EEC, Brazil textile agreement

BY DAVID CURRY

BRUSSELS, March 25.

THE BRUSSELS Commission has reached an 11th hour textile agreement with Brazil which removes the threat of unilateral safeguard action by the Common Market. Had the talks failed to reach agreement this week with Brazilian rejection of a Community final offer, such unilateral action within the framework of the Multifibre Arrangement (MFA) would have been inevitable.

The conclusion of the talks also brings to an end a difficult chapter for Mr. Benedict Meynell the Commission's Chief Textiles negotiator who had come under personal fire from the German industry which accused him of exceeding his mandate in dropping discussions on consultation clauses in favour of concentrating on quota arrangements which were preferred by the Brazilian side.

Ironically the sticking point in the final round of negotiations nearly proved to be a request for protection from the German industry.

The Community has now negotiated textile accords under the MFA with nine of its leading suppliers. This deal covers bilateral trade in 1976 and 1977. It establishes Community ceilings for four categories of exports: cotton yarn; cotton grey cloth; cotton finished fabric; and cotton household linen.

The precise figures involved will not be known until the agreement is initialled, probably within the next few days.

French car sales fell last month

FRENCH car sales declined in February to a provisional 130,160 units from 151,860 in January although they were higher than the 124,000 in February 1975, the car producers' association said in Paris, Reuter reports.

Imported cars took 21.5 per cent. of the February market, compared with an abnormally lower 14.8 per cent. a year ago and January's 19.3 per cent. Exports rose 1.2 per cent. on high year-ago levels to 120,243 units with French producers reinforcing their position on foreign markets, it said.

Car production rose 13.2 per cent. from a year ago to 240,541 units but still remained five per cent. below February 1973 levels, the association said. Light utility vehicle sales rose 30 per cent. from year-ago levels to 211,111 units, while production was 24.1 per cent. up at 32,019 units. But export sales fell 7 per cent. to 10,590.

Babcock gets $12m. Polish contract

Babcock and Wilcox has said its Canadian subsidiary won a contract valued at more than $12m. to supply a black-liquor recovery boiler to Poland, AP-DJ reports from New York. Babcock said the unit will be installed at a pump, and paper complex near Gdansk in northern Poland. The pulp operations produce a residue known as black liquor, and the Babcock boiler will aid in recovery and recycling of chemicals from the liquor. Babcock said financing was arranged through Canada's export development corporation.

Nigerian order

Westinghouse Electric's TCOM subsidiary has been awarded a $150m. contract by the Federal Republic of Nigeria for a balloon-borne telecommunications and broadcast system. The system is scheduled for completion in 1979, Reuter reports from New York.

S. African deficit

South Africa showed a trade deficit of almost R400m. in the first two months of the year compared with a deficit of R272m. in January and February of 1975, the Department of Customs and Excise reported yesterday, AP-DJ reports from Pretoria. Imports in the two months totalled R996.7m. compared with R928.2m. in the 1975 period. Exports totalled R597.1m. against R658.2m. in 1975. The statistics exclude gold bullion.

Airbus order

The Lufthansa supervisory board has given approval for the purchase of a further Airbus A300. This short-medium haul wide-body jet manufactured for Airbus Industrie by Aerospatiale in France, Deutsche Airbus in Germany, Hawker Siddeley Aviation in Great Britain, Fokker VFW in Holland, Casa in Spain is to go into service in April 1977 on inter-German and European routes. With this purchase the German airline has converted the first of its nine options into a firm order. Lufthansa has already ordered three Airbus A300s.

U.S. TRADE POLICY

The protection ploy

BY DAVID BELL IN WASHINGTON

THE CHORUS of international protest that has greeted President Ford's threat to impose quotas on the import of special steels may not have taken U.S. trade officials by surprise, but it has certainly reminded them of the growing concern in the rest of the industrialised world that America may be embarking upon a protectionist course with profound implications for world trade. The special steel decision will be followed next month by the President's verdict on a roughly similar case. Moreover, the Treasury is investigating a charge that European cars are being sold on the U.S. market at prices below those charged at home. If the Treasury finds the charge proven the stage could be set for a dispute even more acrimonious than that about steel quotas.

A finding that foreign cars are being dumped would be passed to the U.S. International Trade Commission which must decide under the 1974 Trade Act whether damage has been done to the U.S. car industry. Although the ITC may well conclude that there has been no injury, since the case was not brought by the manufacturers, but by the unions, some $7.5bn. worth of car imports a year are at stake in what is a very important case.

In the background, meanwhile, there is another case which raises the vexed question of what is, and what is not, unfair Government assistance to exporters. The U.S. Treasury has already rejected a complaint by the American steel industry that the EEC practice of refunding VAT paid on exports amounts to a direct subsidy. Although the Treasury argued that VAT is an indirect tax, like the taxes levied by the individual States in the U.S., and that it therefore was automatically refundable, the steel industry has taken the case to court. If the Treasury ruling should be overturned, it would greatly increase uncertainty around the world as to the true nature of U.S. trade policy.

It is not surprising that those and other cases have led to a number of observers to conclude that, at the very moment when it is preaching the virtues of free trade in Geneva, the U.S. has begun to embrace a policy of thinly veiled protection. But the issue is a complicated one, and a number of factors make such a conclusion too superficial a verdict to justify.

To begin with there is the long standing dispute between President and Congress as to who should have ultimate control over foreign trade. The constitution gives the President power to conduct foreign policy, but Congress the right to regulate foreign trade. Congress is doubly sensitive about its rights in an election year, and there is a clear feeling among many Congressmen, supported by powerful lobbying, that American negotiators may have bargained away too much in the past and have somehow been outmanoeuvred in every round of trade negotiations.

There is also the strongly held belief that while the U.S. is still largely a free market economy where industries stand and fall *without benefit of Government* assistance, most of its major competitors are aided by direct or indirect subsidies, which are tipping the trade balance in their favour. This view is firmly held despite the fact that the U.S. is running a healthy surplus in its trade with the EEC. The British Steel Corporation is regularly cited as a prime example of the kind of Government-backed organisation which enjoys an unfair advantage.

Foreign scepticism about the purity of the U.S. position on subsidies for exports has not been diminished by the continuation of the DISCS or Domestic International Sales Corporations. These are companies allowed to be set up under U.S. law with the specific purpose of exporting, and they are granted the right indefinitely to defer half their tax on export earnings. This law is currently under revision, but a number of countries have claimed that it comes close to granting the kind of subsidy that the U.S. is now attacking.

The current GATT trade talks in Geneva have tried to hammer out an agreement on the whole question of Government aid, and the U.S. has been strongly urging it to consider regional assistance, research and development allowances, and other factors which many industrialists here hold to be unfair trade aid.

The steel case and others before it which have dealt with such disparate items as slide fasteners and asparagus, has served to underline that U.S. trade policy is now to no small degree determined by the workings of the 1974 Trade Act. The purpose of the Act was to encourage the liberalisation of trade and, paradoxically in the light of the steel decision, to make it easier for the administration to negotiate tariff reductions. But as a kind of *quid pro quo* it also gave industry and unions the right for the first time to bring complaints before the International Trade Commission if either group felt that its interests were being adversely affected by imports.

The Commission is not, in practice concerned with whether or not imports are unfairly subsidised or dumped but only with the simple question of whether they cause or threaten serious injury to an industry. The definition of both of these is important.

The Act defines serious injury as "the significant idling of productive facilities in the industry, the inability of a significant number of firms to operate at a *reasonable level of profit*, and significant unemployment or underemployment in the industry." The definition of a threat of serious injury is much the same. It is "a decline in sales, a higher and growing inventory, and a downward trend in production, wages, profits, or employment in the domestic industry concerned." Although it can be argued that these are similar in some respect to Article 19, the escape clause, of GATT, the Trade Act says that imports do not have to be the *only* cause of these conditions, but merely a "substantial cause," that is "one that is important and not less than any other cause."

> Should Mr. Ford after all decide in favour of quotas, the impression will be strengthened that the Administration doth protest too much about free trade.

If it finds such injury, the Commission has a number of remedies that it may propose, ranging from quotas through variable rate tariffs and adjustment assistance. This last provision is designed to provide money to help industries re-equip to meet a changing world market, but the Commission has only $35m. at its disposal for the purpose, which makes the provision almost meaningless. One commissioner, for instance, has calculated that it would take about $1bn. to restructure the shoe industry to meet the import challenge.

The Commission is concerned only with domestic issues and not with the foreign implications of anything it may decide. That *preserves* the uneasy compromise in the constitution, but it also creates a division of responsibility which may partly account for the present situation. It is for instance possible that in the steel case Mr. Ford realised full well that quotas would be sharply criticised abroad, and that he *would have* preferred not even to threaten to impose them. But the Trade Act effectively ties his hands. The ITC followed the law and recommended quotas. And the act provides that Congress may override any presidential decision running counter to what the commission recommends.

The Administration is convinced that in an election year Congress would have exercised this veto had Mr. Ford rejected the ITC ruling. It maintains that Mr. Ford's decision was the best that he could have made under the circumstances, and officials have been dropping broad[...] that the orderly marketing [...] ments which Mr. Ford [...] exporters to accept coul[d] [...] out to be a good deal [...] generous than the quota [...] posed by the ITC. The[y] [...] point out that the Preside[nt] [...] remove the quotas fairly e[...] any time, and that they [...] not be thought to be imm[...] But if orderly marketing [...] ments are not forthcomi[ng] [...] quotas are imposed, the [...] Japan, and Sweden will [...] certainly argue that the[y] [...] entitled to compensation [...] the GATT framework. Jap[an] [...] also talked about retaliat[...] which it might also be [...] under GATT. This [...] obviously further sour the [...] tion.

U.S. officials argue that this makes it imperative [...] whole question of sub[...] regional aid, and other ki[...] "questionable assistance," [...] be discussed as soon as p[...] In the case of steel th[...] has proposed sectoral [...] tions to try to find a s[...] to the difficult question [...] to deal with steel expo[...] times of world recession [...] is in itself something [...] departure for the U.S. wh[...] hitherto rejected EEC a[...] to argue that agriculture [...] a special case which sho[...] discussed on a sectoral [...] rather than in the main [...] negotiations. The U.S. has [...] to argue that too many s[...] negotiations would brea[...] GATT and reduce its usef[...]

But it may also be argued that the U.S. is try[...] have it both ways and tha[...] gress is pushing towards [...] tion despite the rather [...] protestations of the Admi[...] tion that this is the [...] direction. Indeed there is [...] deal of criticism among f[...] trade experts in Washingto[n] [...] the President scarcely ho[...] to argue that there was a[...] of dealing with the steel [...] other than quotas, even if [...] go through the motions [...] posing orderly marketing [...] ments.

There is some sympat[hy] [...] him because of the electi[on] [...] it is pointed out vehementl[y] [...] other countries with a [...] stronger case for protectio[n] [...] equally strong political pr[...] for it, have bowed to U.S. [...] sition to their imposing [...] quotas.

Thus the shoe case, [...] must be decided by Apr[il] [...] will be watched very closel[y] [...] further indication of U.S. [...] ing. There is a possibility [...] quotas may be ruled out [...] case. The Commission its[elf] [...] split on the appropriate re[...] even though it did find i[...] Should Mr. Ford after all d[...] in favour of quotas the im[...] sion will be strengthened th[...] Administration doth protes[t] [...] much about free trade, [...] actually approves of the [...] that the Trade Act is [...] on its trade with the rest [...] world.

AMERICAN NEWS

Nine more applications for IMF oil loans

By Jurek Martin, U.S. Editor

WASHINGTON, March 25.

THE INTERNATIONAL Monetary Fund is considering applications from nine countries for loans from the remaining 370m. Special Drawing Rights (about $435m.) left in its special 1975 oil facility.

None of the applications, it is understood, is from a major industrialised country. Some, however, are from what the IMF classifies as "developed" nations, of whim eight (led by Spain, New Zealand, Yugoslavia and Portugal) have made use of the loan facility so far.

When these loans are approved the 1975 facility will lapse. It will not formally be replaced, though additional forms of financing agreed in Jamaica in January such as the trust fund to be funded through IMF gold sales and the enlargement of quotas should fill the gap.

In the two years that the oil facility has been in existence, more than 50 countries have drawn or will have drawn when the final loans are through, about SDR 7bn. to meet their balance of payments problems.

The facility has been financed by loans from 17 member nations in the same amount, with Saudi Arabia contributing about one-third.

Oil facility loans are for three to seven years at an annual interest rate of 7.75 per cent., with the fund paying lenders 7.25 per cent. However the IMF has established an interest subsidy account to ease the repayment burden on those countries which still face very serious payments difficulties.

Argentinian junta's war on guerillas

BY ROBERT LINDLEY

BUENOS AIRES, March 25.

THE THREE-MAN Argentinian military junta, which deposed and arrested ex-President Maria Estela Peron on Tuesday night, has launched an all-out war on the guerillas, pledging to eradicate them.

"Special War Councils" have been set up and empowered to hand down indefinite prison sentences and the death sentence for persons over the age of 16 found guilty of being guerillas, or of aiding and abetting them in an extremely wide range of ways. Possessing a firearm without a permit carries a possible ten-year prison sentence.

Arrests of figures connected with the deposed Government—especially of union leaders—continue on a large scale. The military Government accuses them of "common crimes." Sra. Peron herself remains under house arrest in El Messidor, a huge lakeside guest house in the southern Andes owned by the Province of Neuquen.

Argentinians remain calm and are going about their business almost as usual after the, so far, bloodless coup. To-day again is a bank, school and civil servants' holiday, but the airports and ports have been reopened to both external and internal traffic. It indeed has been a clockwork coup.

The local mass news media are still being censored, but most of the restrictions are expected to be lifted soon. Newspapers here must submit page proofs for scrutiny at the Army Headquarters, temporarily the new seat of Government, before they go to Press. The censorship, however, apparently has not been particularly onerous. For example, the Buenos Aires afternoon newspaper La Tarde yesterday was obliged to make only two minor changes: a photograph of a girl in a mini-skirt was vetoed as was a brief story about an incident involving a soldier in a bar.

The junta has named its cabinet, made up entirely of top-ranking armed forces officers. But this cabinet may be entirely or wholly a stop-gap one. Almost certainly civilians will take over some of the posts soon. As had been predicted before the coup, the army has four of the Cabinet posts (Economy, Interior, Labour and Social Welfare), the Navy, two (Foreign Affairs and Education) and the air force two (Defence and Justice).

The junta has not yet however, announced who will be the new President of the Republic. The announcement that the army commander, and junta member, Lieut.-Gen. Jorge Videla, is the President, is expected either to-day or to-morrow.

Spain was the first country to recognise the new *de facto* regime. Other countries which have followed suit have been Peru, Ecuador, Brazil and Chile. There has been a State Department statement in Washington that U.S. diplomatic relations with Argentina are unchanged. This is taken here as *de facto* recognition.

First Washington subway stretch ready to open

BY OUR WASHINGTON STAFF

WASHINGTON, March 25.

"WELCOME to Metro—a dream come true since 1909 when the Washington Post first said that Washington should have a subway," boomed the loudspeaker on the preview Press run of the city's new underground, taken in preparation for the public opening of the first leg next Monday.

Metro officials smile, and in small Press conferences professed satisfaction that the long awaited subway was finally on its way. Reporters seemed impressed as the handsome, gleaming 36 ton $400,000 plus cars made a swift, soundless journey along the 4.6 miles of completed track. When the subway opens to the public, officials say, trains will run at 75 mph and average 35 mph with stops.

Despite their satisfaction — or relief — that Metro had at last something to show for the $2bn. thus far spent on construction, officials could not conceal their disappointment that the Press trip was one they had expected to organise in the fall of 1975. A crippling city construction strike, hurricane damage and delayed car deliveries pushed the opening months back. The completion of the 18-mile leg, which officials hoped last year would be ready in time for the bicentennial, has now been postponed until the spring of 1977.

Circuit failures, scheduling delays, malfunctioning doors and difficulties with central control are expected to plague the system until its initial "bugs" have been ironed out.

Besides construction delays, Metro officials have faced countless problems on getting the subway built. Financing problems have arisen caused by the necessary participation of the City, eight adjoining localities in two border States and the federal government.

There is no denying the much admired architecture of the underground stations, designed in this high-crime area especially for safety. The stations are well lit, spacious, looking like a Roman vault with coffered ceilings. Meticulous attention has been given to the aesthetics of all station equipment.

Security Council close to vote on West Bank

BY OUR OWN CORRESPONDENT

UNITED NATIONS, March 25.

THE UNITED Nations Security Council appeared to be nearing a decision to-day on the situation in Jerusalem and the West Bank of the Jordan, which members have been debating since Monday.

Benin, Guyana, Pakistan, Panama and Tanzania jointly proposed a resolution by which the council would deplore "Israel's failure to put a stop to actions and policies tending to change the status of 'the Holy City' and to rescind measures already taken to that effect."

They also proposed that the Council call *on Israel*, "*pending* the speedy termination of its occupation, to refrain from all measures against the Arab inhabitants of the occupied territories."

The main question to-day was whether the U.S. would allow the resolution to go through, or cast its veto. The sponsors deliberately used the word "deplore" rather than "condemns"—which appeared in their earlier text—and made other changes in an effort to have the U.S. at least abstain in the vote.

Strike by Teamsters seems likely

BY JAY PALMER

NEW YORK, March 25.

A NATIONWIDE strike by America's unionised lorry drivers from this week-end now seems very likely. This morning, in Chicago, some 600 local Teamsters Union leaders representing lorry drivers were told that no new contract had yet been negotiated with lorry owners and that they should approach their members for a strike authorisation vote.

Talks between Teamster leaders and the industry have been going on in Washington under the auspices of federal labour mediators. However, last night talks over a new three-year contract to replace the one expiring this week-end broke down with some union leaders describing the industry's "final" offer as an insult.

If a strike is called, it will be the first by this country's unionised lorry drivers since 1964. Although the independent drivers have stated that they will continue working, officials estimate that about 450,000 drivers will stop working and that by far and away the largest part of the lorry transport industry will be paralysed.

If a walk-out does occur, there is a widespread feeling that the Ford Administration will invoke the Taft-Hartley Act and obtain a court injunction for an 80-day cooling-off period.

Bomb hoax at U.S. embassy

A BOMB scare disrupted the American embassy in Moscow yesterday, with diplomatic staff and children being rushed to safety after a telephone caller warned of an impending explosion in the building, Reuter reports.

The call, which proved to be a hoax, was known to be regarded by senior U.S. diplomats as part of a campaign of harassment against the embassy launched in retaliation for Jewish protest actions against Soviet officials in New York. The incident followed a series of anonymous calls from Russians to American diplomats, at least one of which was phrased as a threat that the recipient could be shot.

The embassy made a written protest to the Soviet Foreign Ministry over the calls and was understood to be preparing a further protest, describing each incident in detail and possibly including the bomb warning.

Canadian gas find

Excellent results from two development wells recently drilled in the Parsons Lake area of the Mackenzie River delta indicate that there are sufficient reserves to support a major gas plant facility in the delta, according to Gulf Oil Canada, our Toronto correspondent writes. One of the wells flowed at rates from 12m. to 30m. cubic feet a day during three separate tests, and the calculated open flow potential of the most productive sand was approximately 1bn. cubic feet daily.

U.S.-Turkish talks

President Ford and Turkish Foreign Minister Sabri Caglayangil have had "a very useful and positive exchange of views" on mutual security issues, the status of U.S. bases in Turkey and developments related to Cyprus, the White House said yesterday. A brief statement said the two leaders "noted the long-standing ties of friendship and alliance" between their nations "and agreed on the importance of building on and strengthening this relationship," UPI reports from Washington.

Petroven spending

Venezuela's newly-nationalised petroleum industry—the largest in Latin America—will spend Bolivars2.3bn. (£267.4m.) this year on maintaining and expanding its operations, the Venezuelan Mines Ministry reported. The Venezuelan state oil monopoly, Petroven, is planning to invest £183m. in crude oil production activities, including £93.4m. for drilling nearly 350 new wells. It will also spend £7.4m. on refining activity.

Washington launches $135m. programme to fight influenza

BY DAVID BELL

WASHINGTON, March [...]

THE U.S. GOVERNMENT has given the go-ahead to an unprecedented $135m. crash programme designed to immunise every American against a virulent new strain of influenza before the autumn.

It is the first time in the United States and possibly in the world that any mass immunisation on this scale has been attempted in such a short time. The four major American drug companies have already begun emergency production planning which they hope will enable them to turn out some 210m. doses of vaccine compared with the 20m. doses they produce in a normal year.

The strain of influenza concerned—known as Type A Swine virus—is believed to be the same strain that was responsible for the notorious influenza epidemic which swept Europe and the U.S. after the *First World War* and killed some 18m. people. It was first identified in this country earlier this year at a New Jersey barracks where nearly 1,000 soldiers caught it. Doctors were taken aback by the virulence of the strain and the speed with which it spread.

The Department of Health, Education and Welfare conceded to-day that it has no way of knowing for sure that there will actually be an epidemic later this year. But a spokesman said to-day that its medical experts had been united in believing that a mass immunisation was justified.

For the drug companies—Mercjk, Warner-Lambert, Richardson-Merrell, and American Home Products Company—the production of so much vaccine in so short a time is a formidable challenge. The key to whether or not they can fully meet it is the number of doses of the vaccine that they can extract from each egg that they inject with the new strain of influenza virus. At the moment they can get only about one dose per egg but intensive research is already under way into a new laboratory-bred strain of the virus that could give a much higher "yield per egg."

At the present yield with all plants working flat out, the industry will only be able to produce some 75m. doses by September, but scientists are very hopeful that increased yields will enable them to produce substantially more than that.

The vaccine will be distrib[uted] free to doctors and given thr[ough] school health clinics and [...] outlets. The poor and elderly will be able to get it under various federal he[alth] care programmes but do[ctors] will be entitled to charge [for] administering the drug.

Leukemia 'link' to be investigated

By Jay Palmer

NEW YORK, March [...]

B. F. GOODRICH and Firestone Tire and Rubber, two of America's largest producers of natural and synthetic rub[ber] have separately launched [inten]sive investigations into the p[ossi]bility that leukemia might [be] induced by certain mate[rials] used and handled by worke[rs in] specific types of rubber pro[duc]tion plants.

Both companies have ack[now]ledged that a higher [than] national average of worker[s in] certain plants have suff[ered] from forms of leukemia [...] disease, the most common f[orm] of blood cancer, can be m[edic]ally retarded but, to date, is [in]variably fatal.

B. F. Goodrich said that [its] plant at Port Neches in Te[xas] had suffered four cases [of] leukemia since 1971. It ad[ded] that no known materials use[d in] the plant, which produ[ces] styrene-butadiene rubber, "h[ad] been associated with causing l[eu]kemia."

Separately, Firestone said [that] it has started a study of [a] possible connection betw[een] styrene-butadiene rubber prod[uc]tion and leukemia. The compa[ny] said that one of its plants [...] during this synthetic rubber [...] been the scene of two leuke[mia] cases since 1964.

An official of the Institute [of] Synthetic Rubber Producers [...] the Financial Times that [the] trade group does have plans [of] its own to look into the possi[ble] connection between styrene a[nd] cancer.

The Financial Times, published daily except Sundays and holidays. U.S. subscription $167.00 [...]

مكبرة من الأصل

OVERSEAS NEWS

'sraeli envoy lodges bjection to ;cranton criticism

L. DANIEL TEL AVIV, March 25.

SIMCHA DINITZ, Israel's sador in Washington, con- his country's dissatisfac- at U.S. criticism of its nent policies in the West at two meetings yesterday Dr. Henry Kissinger, the ary of State, and Mr. Sisco, his deputy, it was d from Government s here.

Israeli retort to U.S. sador William Scranton's peech to the UN Security l referred to what officials ed as differences in both ts and phrasing from U.S. policy.

Dr. Kissinger and Mr. are said to have assured sraeli ambassador that some "unfortunate ex- n," no change has taken n American policy on the East. There are some s here to the effect that ech was not approved by her echelons of the State nent, but this is hard to , both in view of the matter under discussion, ct that Israel and the ne Liberation Organisa- PLO) for the first time ated simultaneously in a y Council debate, and is was the maiden speech U.S. ambassador.

e it is acknowledged here was not the first time that views on East Jerusalem ttlement in the occupied ries had been expressed officials, it is regarded hly significant that they made in this forum, in ncentrated form and after of seven years.

Mr. Scranton referred to similar statements by two of his predecessors at the UN, Mr. Arthur Goldberg and Mr. Charles Joost, but these statements were made in 1969. Nor did they refer to the question of settlement, but only to that of Jerusalem.

It is pointed out here that it is not a question of Israel "annexing" East Jerusalem, but one of reunification, since it was Jordan which captured that part of the city in 1948, resulting in its division.

Meanwhile, despite the recent disturbances in the occupied West Bank, which have largely subsided for the time being, preparations are going ahead according to schedule for the municipal elections there due to be *held on April 12. These elections are in accordance with Jordanian law, which provides for them at four-yearly intervals.* Registration of candidates for the various municipalities will take place on March 29, 30, and 31, but electioneering is already in full swing.

Yet another problem is facing the Israeli authorities as a result of the compulsory purchase of 5,000 acres of land in Galilee for development. Although less than one third, some 1,500 acres belongs to Arabs, and the administration has offered the landowners either alternative plots or compensation, the Rakach Communist Party has called for a general protest strike on March 31. The heads of Arab and Druze villages in Galilee will meet this afternoon to decide whether to participate in the strike.

gypt urged to cut off ;viet debt repayment

MICHAEL TINGAY CAIRO, March 25.

'S highly charged dis- ith the Soviet Union con- to-day with a call in the ficial newspaper Al Ahran p all Soviet debt repay-

newspaper cited Moscow's to allow India to supply parts for Egypt's Soviet s as grounds for the The article followed r vitriolic speech by Presi- Sadat yesterday when he f the Soviet Union of try- split the Arab world.

Sadat revealed India's to help with spare parts aintenance of Egypt's Mig- ters when he abrogated 71 Treaty of Friendship -operation with the Soviet earlier this month.

then hardly a day has without anti-Soviet ces in speeches or news- editorials. To-day's Al article says that not only payments of debts be sus- but damages to Egypt be assessed and claimed. debts to the Soviet re believed to be $2.7bn., of which about half is civil loans and the rest military.

The only way payment could be suspended, observers imagine, is by cutting off trade ties, since Egypt's debts to Moscow are settled in trade terms. To-day's call therefore brings into question the 1976 trade protocol for £320m. in two-way trade initialled last December.

While the Soviet Union would be hurt by the ending of high quality cotton supplies, there is no guarantee that the market surplus would be easily sold on the free market without prices going down in response to increased supply.

The problem facing Mr. Sadat in his dispute with the Russians is that Moscow, by virtue of its long and close association with Egypt, holds more cards than Cairo. Potential areas of embarrassment, should Moscow choose to become vindictive, include the Aswan dam and its turbine maintenance, the scores of on-going industrial projects in Egypt, inspection and maintenance of aircraft, ammunition and missiles, and the export to Egypt of timber, newsprint, paper and coal.

ussein, Arafat 'to meet'

KUWAIT, March 25.

EWSPAPER Al-Rai Al- d here to-day that pre- s were under way for a meeting in Damascus nth which would bring ussein of Jordan and an leader Yasser Arafat for the first time since

Mr. Arafat, chairman of the Palestine Liberation Organisation (PLO) and leader of Fatha, the biggest group within the *organisation*, left Jordan during the September, 1970, civil war there which ended with the ex*pulsion of the PLO from the* country.

newspaper, which is well informed on Pales- fairs, said that the sum- uld be organised and by Syrian President -Assad. It added that ttacks on Syrian policy Popular Front for the n of Palestine (PFLP) ed at undermining these ons.

Syria has for some time been trying to bring Jordan and the PLO together again in an attempt to build up an alliance opposed to Egypt's Middle East policies.

The PFLP leads the "rejection front" of Palestinian organisations opposed to the PLO's more conciliatory attitude towards a Middle East settlement.

Reuter

ıstralia plans cuts

ralian Government plans the rate of growth in ey supply down to a y adjusted annual rate per cent. during the six nding next June, reports om Canberra.

r, the Treasurer, Phillip uld this didn't mean that uld be a credit squeeze, meaningful sense of the said that the Govern- s intent on hauling back of growth of Govern- penditure and slowing e flood of excessive

Iolden wages

Motors Corporation's subsidiary, General Holden, was strongly by the Australian nt yesterday for grant- ge wage increase to its s and going outside the n system, reports AP-DJ berra.

Minister Malcolm Fraser multinational companies sponsibility to abide by m of wage fixation of ntry in which they and that GM Holden ived special advantages tralia.

ok deaths

le were killed and more wounded in Bangkok last en an unidentified man hand grenade into an ally crowd, police told sterday.

ly was being staged by aining new force party in Chai Nat Province, 125 miles north of Bangkok.

Ethiopian aid

Ethiopia has applied to the European Common Market for aid under the Community's scheme to help stabilise the export earnings of developing countries linked to it by last year's Lome convention, reports Reuter from Addis Ababa. Ethiopia, whose main exports are coffee, hides and skins had been one of the first applicants for aid from the EEC's Stabex fund, said a spokesman for the Ministry of Commerce and Industry.

Arab conference

The second Arab Conference on the petrochemical industry ended its work in Abu Dhabi by adopting a number of decisions regulating co-ordination of actions and co-operation of Arab countries in this field. The moves were reported by AP-DJ from Belgrade quoting Tanjug, the Yugoslav news agency, which referred to the pool of news agencies of non-aligned countries.

Israeli currency

Economists of the Bank of Israel are studying a proposal by the Governor of the Central Bank that the Israel pound be linked in future to a basket of currencies, weighted in proportion to the role of the countries concerned in Israel's foreign trade, instead of the present linkage to the dollar alone, reports Reuter from Jerusalem.

The Lusaka summit on Rhodesia, reports **Bridget Bloom**, ended in a call to . . .

Step up the war, reunite the ANC

THE FOUR African Presidents most directly concerned with Rhodesia agreed yesterday to intensify the guerilla war as part of an overall strategy to maximise pressure on the rebel colony in the wake of last weekend's failure of the Smith-Nkomo talks.

The four Presidents—of Zambia, Tanzania, Mozambique and Botswana—met for a total of some 12 hours, some of the time alone and partly with the leaders of the two divided wings of Rhodesia's African National Council.

No communique was issued after the talks but, according to informed sources, two key points were agreed. These were that there should be an intensification of the guerilla war, and that efforts should continue to achieve unity between the various factions in the Rhodesian ANC.

In the absence of official details of the discussions—and as is usual with these summits, there has been a complete official news *black out here*—precisely what happened cannot be known. But it would appear that the Presidents were primarily concerned to co-ordinate their policies on Rhodesia in particular, and on Southern Africa in general.

The four men met without advisers on Wednesday afternoon but called in the leaders of the ANC factions—Bishop Muzorewa of the external wing and Mr. Joshua Nkomo, leader of the internal wing—for the evening session, which lasted until about 2.30 a.m.

Versions of what was discussed at that second session vary considerably, with Mr. Nkomo telling the Press as he left for Salisbury yesterday that unity between the factions had barely been discussed. Bishop Muzorewa appeared to say the opposite.

Breakdown

As far as can be judged, what appears to have happened is that the Presidents spent a considerable time discussing with Mr. Nkomo the breakdown of his talks with Mr. Smith. This was followed by a discussion of *future strategy*, in which it is believed that all the participants agreed there should now be an intensification of the war.

It seems probable that in this context the question of the *united front* of the divided ANC factions was discussed, at least in relation to their joint backing *of the guerillas*, who now owe allegiance to either faction but whose representatives were not present here.

President Nyerere, in particular, is known to be keen to attempt to unite the two factions and there is no reason to believe he does not have the backing of his fellow-Presidents, though there may be differences of emphasis between them.

It seems certain that there was no formal agreement at the summit or a merger of the two factions. Mr. Nkomo, in extemporary remarks to the Press, maintained the stand that he was the only legitimate leader of the ANC. Bishop Muzorewa's comments suggested some willingness to heal differences, but he is not representative of all those in the faction he nominally leads. His more outspoken colleague, the Rev. N. Sithole—a long-time opponent of Mr. Nkomo—was not present at the summit. It would seem that the meeting agreed that efforts to unite the ANC should continue. Unlikely though this may seem at the moment, eventual agreement, however limited, cannot be ruled out.

The four Presidents are thought to have agreed on their overall strategy on Rhodesia over the next few months. They are believed to have agreed that the failure of the Smith-Nkomo talks spells the opening of a new phase, during which pressures on the Smith regime should be intensified.

It is understood that they broadly welcomed the new British position, as stated by Mr. James Callaghan, particularly because it made clear that Britain accepts the need for rapid transfer to majority rule and that this now has a timetable fixed to it.

The possible tightening of sanctions against Rhodesia, particularly the closure, of the Botswana border, was also thought to have been discussed at the meeting. But the difficulties involved, both for Botswana and for countries like Zaire who use the Botswana-Rhodesia railway, are probably too great to make closure practical at this stage.

The eventual possibility of negotiations between the African Nationalists and a White Rhodesian Government, with Britain in the chair, has not been ruled out. But none of the Presidents, nor any of the nationalists, believe that negotiation is possible for as long as Mr. Smith remains Prime Minister.

Shake-up

The Presidents may hope that as a result of the war being stepped up, there could be a shake-up in White Rhodesian politics which might eventually produce a leadership ready to accept majority rule. But this is something for the future. For the time being, the drama of the past few days seems likely to be followed by a lull while all parties to the Rhodesian dispute take stock of the new situation.

No new or dramatic decision was aparently taken at to-day's summit, and the main points agreed—the intensifiaction of the war and attempts to forge unity among the nationalists—seem bound to take a considerable time to implement.

Pretoria 'will not pressure' Smith

PARIS, March 25.

SOUTH African Information and Interior Minister Connie Mulder said here to-day that the dialogue between his country and Black African nations was "alive and very much going."

Dr. Mulder, who arrived last night from Abidjan where he met Ivory Coast President Felix Houphouet - Biogny, told reporters: "I believe dialogue will be the solution of the problems of Africa and we are determined to continue in this direction. It is clear that moderate and responsible nations prefer dialogue and detente as a solution to problems rather than violence."

Dr. Mulder, here to visit his information office and have talks with French Government officials, implicitly condemned the Cuban intervention in Angola when he said that problems between Black and White Africans should be left to Africans.

"There should be no interference from elsewhere," he told a Press conference.

Asked about South Africa's policy on Rhodesia, Dr. Mulder said: "South Africa has made its point clear. It will not pressurise Rhodesia in any way or try to force Rhodesians in any direction." He indicated that South Africa will continue to have normal trade relations with Rhodesia and brushed aside questions about a possible South African military intervention in the event of a conflict there.

"South Africa will decide at that stage what will be its attitude but presently we are not prepared to say anything," he stressed.

The Minister said South African troops would withdraw from southern Angola as soon as assurances given to South Africa about guaranteeing the security of the Calueque and Ruacbana Dam sites had been confirmed.

Dr. Mulder said South African troops would remain in numbers on their side of the border after the withdrawal. "It would be foolish not to protect this sector with so many Cuban troops in the area," he added.

Reuter

Oil shortage hits Uganda factories

KAMPALA, March 25.

FACTORIES and industries in Uganda have closed because of an acute shortage of oil, and President Amin has ordered strict fuel-saving measures to deal with the crisis, Radio Kampala said to-day.

Restrictions have been imposed on road transport and Government Ministers, governors and military officers have been told to stop "luxury driving." The President himself rode a bicycle when he visited an air force base at Entebbe yesterday. He has told his Commerce and Industry Ministers to import more bicycles as a matter of priority. He has also sent a telegram to the Arab League's secretary-general asking for emergency oil supplies.

Reuter

Italian industry paralysed by general labour strike

BY ANTHONY ROBINSON

ROME, March 25.

WORKERS throughout Italian industry to-day staged a four-hour general strike as a protest by organised labour against what the unions see as the unjustified delay in agreeing new national labour contracts for over 5m. workers, and against the "indiscriminate" fiscal and monetary measures decided by the Government last week in an attempt to arrest the collapse of the Lira.

In an attempt to reduce the inconvenience to the general public, workers in public transport and other essential services limited their strike action to a symbolic stoppage of between one and two hours. Airline *traffic was however paralysed for* 24 hours.

Protest demonstrations and speeches by trade union leaders took place in all Italy's major cities, particularly in the industrial areas of Northern Italy.

The fear that the recent measures, which raised the discount rate to 12 per cent., increased VAT on cars and other industrial products, raised petrol prices and introduced another strongly deflationary dose to an already faltering economy, hits the productive part of the economy without tackling the urgent problem of Government spending is also shared by important sectors of industry and specially the automobile industry.

But the strike is also an attempt by the unions to try and maintain their control over the labour movement at a time when a new round of inflation linked to rising unemployment is contributing to a new mood of bitterness and resentment.

The Italian region of Lazio, which includes the capital Rome itself, has now fallen to an administration in which the Communist Party will have the dominant voice, even if the ruling coalition agreed finally late last night must depend for its overall working majority on the votes of at least two notional Independents, writes *Dominick J. Coyle from Rome.*

The new regional administration is a coalition of Communists, Socialists and Social Democrats making up exactly half of the 60-member Chamber. The coalition has now been supported by two Independents, one a former member of the generally right of centre Republican Party and the second a Radical Leftist.

Meanwhile a delegation of top British trade unionists, led by Mr. Jack Jones, Mr. Joe Gormley and Mr. Len Murray has arrived in Italy for talks with the three main Italian Trade Union confederations. The talks will cover labour relations in the two countries and the possibility of international labour co-operation and also to some extent allows for an exchange of views prior to the meeting of the European Trades Union Congress in London next month. For the first time British trade unionists will be taking part in talks at which the communist-led trade union CGIL is taking part.

UPI adds: Police in Bergamo used tear gas in a one-hour battle with extreme Left-wing youths who broke away from an orderly rally of strikers and began throwing firebombs at a Government office. One policeman hit in the face with a monkey wrench was admitted to hospital for plastic surgery. A 19-year-old shopgirl was wounded in the right leg by a pistol shot fired at a passing police car.

Union leaders in Milan, said 100,000 persons attended a strike rally in the Cathedral square. Police reported several isolated incidents of youths launching firebombs against businesses suspected of using scab labour.

AP-DJ adds: Italy's consumer price index bounced up 2.2 per cent. in February from January, the sharpest gain since a rise of 2.9 per cent. in September 1974, according to the Government Statistics Bureau.

IMF talks may be prolonged

BY DOMINICK J. COYLE

ROME, March 25.

A SECOND round of negotiations for Italy's planned drawing of $530m. from the International Monetary Fund was scheduled to end here tonight, but there were some indications that further detailed discussions may be necessary before the full borrowing is approved.

The talks, involved senior Treasury officials and Fund representatives from Washington and earlier official indications here had suggested that this week's Rome meeting would have finalised the negotiations.

It is now possible, however, that final agreement for this additional Italian drawing from the IMF—under the extended borrowing facilities agreed to as part of the so-called Jamaica agreements—could be postponed for a couple of months.

Neither the IMF nor the Italian Treasury has given any indication of difficulties in the negotiations. But it is understood that experts from the Fund are not satisfied fully that the present minority Italian Government of Prime Minister Aldo Moro has sufficiently realistic policies to contain the deficit in public sector spending this year. The Fund is also believed to be pressing for some form of incomes policy.

Negotiations for the projected Italian drawing from the IMF were held up initially owing to the country's political crisis.

If there should be a delay in agreeing on the IMF drawing, it would obviously be much less serious now than even ten days ago, when the lira was under definite speculative pressure and before the EEC Council of Ministers had approved a $1bn. Community-backed loan for Italy.

The lira has staged a gradual but fairly positive recovery since last Thursday, and the Italian authorities have available the $3bn. Federal Reserve "swap," only $750m. of which has been drawn down.

There is of course no suggestion that the Italian drawing from the IMF will not go through eventually, since it is Italy's entitlement under the liberalised arrangements agreed to at Kingston earlier this year. The issues which remain in dispute are, relatively speaking, technical.

Further, a kind of de facto incomes policy may well emerge over the next couple of months, even if existing arrangements, under which most Italian workers are compensated directly for increases in the cost of living, themselves carry a sizeable element of inflationary cost-push front loading.

Gromyko promise to use £950m. credit

By David Lascelles

MR. ANDREI Gromyko, the Soviet Foreign Minister who left London yesterday, gave a "firm and unequivocal assurance" that the whole of the £950m. credit offered by Britain to boost Anglo-Soviet trade will be taken up "in the near future."

This was announced yesterday by the Prime Minister in a Commons written reply about the results of Mr. Gromyko's three-day visit. Mr. Wilson said: "This means that very substantial orders indeed are expected to be placed shortly with British industry."

The assurance was designed to dispel doubts about the credit which was offered on very cheap terms. One year after it was signed by Mr. Wilson in Moscow in February 1975, only £25m. of it had been taken up.

But sources close to Anglo-Soviet trade were surpised last night by Mr. Wilson's promise of big orders because, as far as is known, there is no prospect of anything sizeable being clinched in the next few months, and certainly nothing approaching £950m. even in the foreseeable future.

Talks are proceeding in the aviation, oil exploration, chemical fertiliser, nuclear energy and engineering fields. But none of them are at an advanced stage, though trade in chemicals looks promising, according to British officials.

Mr. Gromyko's visit included several meetings with Mr. James Callaghan, the Foreign Secretary, as well as his meeting with Mr. Wilson, and was described as "businesslike and constructive." Before departing Mr. Gromyko said his country wanted to expand political contacts with Britain and that he had made specific proposals. He would not elaborate, but he appeared to have in mind frequent high level contact such as Moscow has with France.

The possibility of General Secretary Leonid Brezhnev visiting London was discussed, but no dates were fixed.

Irish wages

By Giles Merritt

DUBLIN, March 25.

URGENT MOVES to break the deadlocked talks on the 1976-77 National Wage Agreement between Ireland's trade unions and employers are to be decided at a Cabinet meeting to-morrow of the Irish Government.

France frustrates EEC plans for minimum safeguard price for oil

BY ROBIN REEVES

BRUSSELS, March

FRANCE to-day dug in its heels and refused to endorse European Community plans for a minimum safeguard price for oil, long sought-after by Britain in order to underwrite its expensive North Sea investment against an unexpected slump in world energy prices.

France's refusal came despite the apparent agreement in principle among EEC Heads of Government in Rome last December that the Community should adopt a minimum safeguard price (MSP) as a key element in the development of a common energy policy.

It was for this reason that Mr. Wilson claimed at the time that he had been able to surrender *Britain's claim to a* separate seat at the North-South conference oil exporters and the Third World now under way in Paris.

But to-day, M. Michele d'Ornano, the French Minister for Industry and Research, told a Council of Ministers' meeting devoted to energy affairs that his Government was unhappy at the lack of study of the proposal and needed more time to examine its implications.

He further suggested that the adoption of an MSP of $7 a barrel (fob) for crude oil imports and heavy derivatives might involve unacceptable cost. A decline in the world oil price to, say, $6 a barrel would "cost" the Community some $4bn, of which $850m. would fall on France.

Mr. Tony Benn, the Secretary of State for Energy, had earlier told the Council that Britain wanted a decision to-day both on the MSP and the Commission's plan for EEC aid for financing coal stocks.

Rome summit

He reminded the meeting of the Rome summit declaration concerned with energy. "The Commission will submit proposals and the Council decide as soon as possible on appropriate mechanisms to protect existing energy sources and ensure the development of alternative sources of Community energy—on reasonable economic conditions." Mr Benn was not alone in interpreting this as meaning an MSP. Every other Minister except those of France and Italy thought so too.

By the time the meeting ended this evening M. D'Ornano had still not dropped his opposition. But EEC officials saw hope of France eventually going along with the plan at the next meeting of the Energy Ministers Council, which was fixed for June 10. The French Minister said towards the close that his Government was prepared to "travel the road" towards a common energy policy, suggesting France was looking for a wider package of measures before agreeing specifically to the MSP. The practical problems involved will meanwhile be studied by high level working group of officials.

Mr. Benn's early departure for London to prepare for the outcome of the Labour leadership ballot prevented him from pursuing the issue to the close, his place being taken by Mr. John Smith, Minister of State for Energy. But Mr. Smith said he saw no reason why the matter should not be settled in June. "We have an early date and the *mechanism for discussing* the matter in detail." He did not think the problem would be raised at next week's EEC summit.

British officials argued that the French objections did not really stand up. Arrangements for implementing an MSP has been discussed for many months within the International Energy Agency. Although France was not a member, it had been, nevertheless, kept fully abreast of discussions. As for the so called cost, the EEC minimum price would be upheld by import levies which would be paid into the Community budget. Thus, there would be no loss to EEC members.

But Mr. Smith did suggest the Community was in dang[er of] being left behind by dev[elop]ments. All members other [than] France were committed [to] finalising the IEA's $7 mini[mum] price scheme by July 1 at [the] latest.

Exporters

France originally refuse[d to] join the IEA on the groun[ds it] was a potential instrumen[t of] confrontation vis-à-vis the oil exporters. However, view appears somewhat [...] Oil exporters now repor[tedly] regard the OECD as more [of a] confrontation instrument [than] the IEA. In these circumsta[nces] officials here are somewhat [mysti]fied at the French attitude. [...] suggested that it was simply in a cloud of French diplo[macy]. Equally valid was the sugge[stion] that President Giscard d'Es[taing] did not want to add fuel t[o the] fire generated by his seri[es of] domestic poltical setbacks o[f the] past 10 days.

In the meantime, how[ever,] they decided to beg to diffe[r on] the Commission's plans fo[r an] EEC emergency oil-sh[aring] scheme in the event of an interruption in supplies. [The] proposal was sent back to [offi]cials for further study.

EEC BUDGET CONTRIBUTIONS

Pressure from Bonn resisted

BY DAVID CURRY

BRUSSELS, March 25.

THE EUROPEAN Commission has resisted West German pressure for the early introduction of an updated way of calculating contributions to the EEC budget in spite of the claim by West Germany that it is being "overcharged" in the existing system.

The Commission has said that the administrative and legal complexities of introducing an adjusted unit of account, the EEC's budgetary currency, before 1978 that more accurately reflects existing parities would place a savage burden on Common Market accounts. Therefore, the Commission will recommend to the Council that the change should not take place until 1978, when the whole operation will be simpler. At that time the original six EEC members are to move from the present means of financing, in which national contributions play a significant role, to a Community self-financing system.

This "own-resources" system would turn over to the Community exchequer the revenue from farm levies, import duties and a proportion of Value Added Tax receipts. The British have said that in any case they would not tolerate adjusting the unit of account until 1978. The problem at present is that member-state contributions and some of their receipts from EEC funds are denominated in units of account that are translated into national monies at pre-Smithsonian parities.

For example the unit of account used in the budget is worth £0.416667 or DM3.66. However, because of changes in parity the actual worth of the unit of account calculated on the market value of a basket of EEC currencies (a system which regulates the value of the unit of account used by the European Investment Bank, the Coal and Steel Community and the Lome convention) is very different. On March 24 the unit of account was worth £0.583364 or DM2.87347.

The difference this represents in contributions can be seen by examining the 1976 budget to which the U.K. must pay 1.223bn. units of account. At pre-Smithsonian parities this translates into £509m. If the current value of the pound were substituted Britain's contribution this year would be £713.45m.

Conversely, while West Germany this year will pay DM7.576m. to meet its contribution of 2.07bn. units of account, at contemporary parities its real contribution would be only DM5.948m. The net difference, of course, would be much smaller because payments as well as some receipts are calculated at the outdated parity.

If it were just a question of adjusting the unit of account parity the problem would be simpler. But to adjust the parity without catastrophic dislocation would also mean adjusting the key on which national contributions are levied—and this key relates to pre-Smithsonian gross national product. The West German contribution of 27.58 per cent. to the budget reflects the relative importance of the West German economy up to 1971. In fact, the West German economy is proportionately even more important now than it was then, a fact which works in West Germany's favour. The Commission argues that the net benefit West Germany would gain from a change of both parity and the GNP-related key would certainly not justify the complexities of changing treaty arrangements.

Recognising this, the West Germans had been demanding the introduction of the new parity on the basis of the old key.

U.K. in new cod war contacts

By David Buchan

BRITAIN AND Iceland are [...] in secret contact over their drawn-out fishing dispute, [accord]ing to informed sources in [Lon]don. The contact is thr[ough] third countries, since Ice[land] broke off diplomatic relatio[ns on] February 19 in protest at [the] presence of British frigates.

Norway is one of the [inter]mediaries, but official Lo[ndon] sources say, not the only. West Germany is almost [cer]tainly involved—first, becau[se it] has offered to mediate in [the] past and, second, because its fishing agreement with Icel[and] signed last October, autom[atic]ally lapses by the end of [the] month if no U.K.-Iceland [deal] has been reached by then.

Speculation about a cod [war] settlement was fuelled yeste[rday] by a Danish radio report that [the] Nordic Council, which compr[ises] all the Scandinavian coun[tries] plus Iceland, was acting [as] broker between Britain and [Ice]land. This report was denie[d by] the Foreign Office, and [it is] highly unlikely that so unwi[eldy] a body would be acting [as a] secret go-between. All th[at is] being said formally in Lo[ndon] was that certain of Brit[ain's] allies had been putting for[ward] ideas which might contribu[te to] a settlement.

STATE ELECTION IN WEST GERMANY

Tough nut for Schmidt

BY ADRIAN DICKS IN BONN

BONN will be an almost deserted capital for the next 10 days. The Chancellor, Herr Helmut Schmidt, his Coalition partner, Herr Hans-Dietrich Genscher, leader of the Free Democrats, most of their Cabinet, and a large contingent of the opposition will be throwing themselves into the final stages of what has become a fierce campaign for the election of a new state assembly in Baden-Wuerttemberg on April 4. There will doubtless be many explanations afterwards, from whoever does worst in this south-western corner of Germany, of why regional quirks and traditions should be taken into account. But there will be no way of escaping the pointers that the 6.1m. voters will offer towards the outcome of the Bundestag elections exactly six months later, in October. The State may not be a microcosm of Germany, but whichever way its mix of farmers and engineering workers, small-town people and city-dwellers turn, will be more valuable than a score of opinion polls.

There is not much doubt in anyone's mind that they will re-elect a Christian Democratic administration, under the leadership of a firm conservative, Herr Hans Filbinger, four years ago, he won a narrow, though adequate absolute majority of 65 seats in a 120-member chamber, and just under 53 per cent. of the popular vote. Since then, he has consolidated his position as "father" of his state. Herr Filbinger's benignly smiling face, unadorned by any slogan, looms from posters twice the size of anyone else's. The Baden-Wurttemberg CDU has not put up any posters at all of Dr. Helmut Kohl, the party's national chairman and candidate Chancellor.

The CDU is fighting hard to raise its share of the vote. One recent poll conducted for the party suggests that it may get 55-56 per cent. Any further improvement of the party's position would not only satisfy Herr Filbinger, and perhaps strengthen his standing as an elder statesman who would reputedly like to be the party's next candidate as Federal President. It would also give a tremendous lift to the spirits and reputation of Dr. Kohl as he enters his first national campaign. During a day's travelling through Baden-Wuerttemberg last week in the CDU's futuristic, kitchen-equipped campaign bus, he gave the impression of a man beginning to hit his stride. He has managed to turn the argument about West Germany's Polish treaties into a considerable personal success, having started from what many thought to be a dead-end. From appearing to be forced by Herr Franz-Joseph Strauss—supported by Herr Filbinger—into mulish opposition to the terms negotiated by the Government, Dr. Kohl managed to produce on March 12 unanimous support from the CDU-controlled states for the treaties in the Bundesrat, the Federal Upper House. It was Herr Strauss, deserted even by the normally loyal Bavarian State Premier, Herr Alfons Goppel, who was isolated over an issue he had chosen to play for all it was worth.

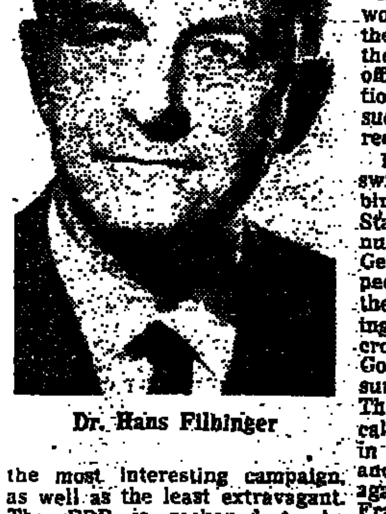
National polls suggest that Dr. Kohl is catching up in popularity with the Chancellor — at the latest count 41 per cent. said that they would liket to see Dr. Kohl in the office, as against 44 per cent. for Herr Schmidt. Dr. Kohl believes that his handling of the Polish affair has put the Social Democrats on the defensive and has destroyed their claim that he is as putty in the hands of others—meaning Herr Strauss.

In private conversation, people close to the CDU leader make clear that he feels the tables have been turned on Herr Schmidt, for whom Dr. Kohl, an amiable man, is said to feel a strong personal dislike.

The Chancellor's party seems least likely to make a good showing in Baden-Wuerttemberg. The SPD did well in 1972, increasng its share of the popular vote from 29 per cent. in 1968 to 37.6 per cent., and its seats in the landtag from 37 to 45. Recent polls suggest that support has now dropped back to about 32 per cent.

In a contest where there have been surprisingly few local issues that are not also national issues, the SPD has been putting forward Herr Schmidt himself and to a lesser extent Herr Willy Brandt, the former Chancellor and present party chairman, rather than the local protagonist, Herr Erhard Eppler. They have been vigorously speaking up for the government's record in economic policy, pointing to the slowly increasing momentum of economic recovery and to the first signs that unemployment—actually below the national average in Baden-Wuerttemberg—is starting to come down.

It has been left to the Free Democrats, the junior partner in the Bonn coalition, and to their leader, Herr Genscher, to fight



Dr. Hans Filbinger

the most interesting campaign, as well as the least extravagant. The FDP is reckoned to be spending about DM1m. (about £500,000), against DM3m.-3.3m. for each of the two big parties. In 1972, the FDP suffered a sharp reverse in its fortunes at a time when both the SPD and CDU profited from the eclipse of the extreme right-wing National Democratic Party. The FDP's share of the popular vote fell from 14.4 to 8.9 per cent. that year, and its group in the Stuttgart assembly was reduced from 18 to 10 members.

A poll taken in February indicated a further slight drop to about 8 per cent. Herr Genscher points out that the poll was taken before the Polish treaties were cleared—an achievement for which he, as foreign minister, claims more credit than Dr. Kohl. The FDP hopes to win at *least 10 per cent. of the popular* vote, and is placing high hopes on the 16 er cent. of the sample who had not yet made th[eir] minds up. What it would [like] best of all would be a situa[tion] where the CDU lost its abso[lute] majority, opening the way [for] the FDP to bargain with the bigger parties for the best co[ali]tion terms it can secure.

As man-in-the-middle [of] German politics, Herr Gensc[her] has during the past few d[ays'] campaigning been offering [a] bravura performance. He spe[aks] with pride of the coalitio[n's] worker participation bill—fin[ally] passed by the Bundestag [last] week after having been mo[di]fied by the FDP as both [an] "increase of the rights of ev[ery] worker" and an "obstacle [to] the concentration of power [in] the hands of a few trade un[ion] officials." He boasts of the co[ali]tion's economic policy, and [its] success in achieving w[age] restraint, as FDP achievemen[ts].

Herr Genscher also takes [a] swipe at moves by Herr [Fil]binger's administration and ot[her] State Governments to limit [the] numbers of foreign workers [in] Germany. "We called on th[ese] people because we needed th[em]; there can be no question of se[nd]ing them home now," he tell[s a] crowd in the industrial centre [of] Goeppingen, near Stuttgart—[to] surprisingly warm applau[se]. Th FDP leader goes on to rep[eat his] call for further cautious progr[ess] in relations with eastern Eur[ope] and to continued blunt warni[ngs] against the formation in eit[her] France or Italy of Governme[nts] with communist participation.

If all this cannot earn the F[DP] a bigger slice of the vote [in] Baden-Wuerttemberg, with [its] long tradition of support [for] classic liberalism, it proba[bly] cannot work any better elsewh[ere] in Germany. Are there still tra[di]tional liberals in the sm[all] towns, manufacturing cent[res] and steep, wooded hill-country [of] Baden-Wuerttemberg? If [so], and if enough of them thr[ow] their support to a party that, its leader says, "enters this el[ec]tion without commitments," [the] results could have a much wid[er] significance. Should the FDP [do] well enough in this state, [it] could feel sorely tempted to st[all] for time in May, when it m[ust] decide whether to go into [the] Bundestag elections firmly t[ied] to the SPD as a coalition partn[er]. The stakes are high. He[rr] Genscher shows every sign [of] relishing the game.

HOME NEWS

Big cut in air fares to Spain, Portugal

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

...ULED air fares to Spain ...rtugal this summer are cut by more than half, a new scheme to be intro... by British Airways and ...proved by the Civil Avia... ...thority.

...fare cuts are less drama... ...n the airline originally ... to apply, because the ...ty has amended them ...objections from indepen... ...arter airlines. But they ...l substantial.

...comprise what is called ..." 3" fares, because they ... available from April 5 ...oups of three or more ... travelling together— ... includes families—and ... valid for stays of seven ...ays.

...Group 3 peak return fare ...na from London, for ex... will be £78 by day and ...night, while the off-peak ...ll be £58.50 by day and ...at night. The normal ...y return fare is £128.50.

...pproving the fares, how... ...he authority has rapped ... Airways for advertising ...eria, the Spanish airline for selling the Group 3 fares in recent weeks as being "officially approved" when in fact they were not—the approval only being given now, after a public hearing into their desirability.

"This kind of behaviour is quite unacceptable," it adds.

It has told British Airways that, although it is approving the Group 3 fares at slightly higher levels than sought, those passengers who bought tickets at the earlier rates in good faith can travel at those lower rates. This will mean some loss to the airline and Iberia.

Also, British Airways had sought an increase in the normal economy return fares on scheduled services, and started to sell tickets at the higher rates before any approval was given.

In the event, the authority has rejected these rises in normal fares, and is now telling passengers that if they have bought economy return tickets at the higher rates they are entitled to a refund, and should ask for it.

The aim of the new Group 3 cheap fares is to help British Airways and Iberia fill the wide-bodied aircraft that are being introduced on the routes this summer, and also to meet the increasing volume of low-fare inclusive-tour competition.

The Civil Aviation Authority feels that while about 200,000 scheduled passengers are likely to benefit from the Group 3 cheap rates, there should not be any significant diversion of traffic from the 1.8m. package tour holidays in Spain and Portugal this summer. This is because the latter offer accommodation as part of the package, whereas the Group 3 rates cover only air travel.

The authority also says that, in approving the cheap Group 3 fares, the credibility of "normal economy fares" is open to question. It feels that these normal rates are too high, not only to Spain and Portugal, but also to other European destinations.

The authority intends to investigate this situation further, but in the meantime has decided to refuse British Airways permission to raise its normal economy fares to Spain and Portugal.

"We see this as a first small step towards correcting the structure of European fares," it adds.

The new Group 3 fares will be available to 15 destinations in Spain and Portugal—Alicante, Almeria, Azores, Faro, Ibiza, Las Palmas, Lisbon, Madeira, Mahon, Malaga, Oporto, Palma, Seville, Tenerife and Valencia.

EXAMPLES OF THE RATES

to	Group 3 peak (July 1-Sept. 30) £	Group 3 off-peak (Apr. 5-June 30, Oct. 1-Mar. 31) £	Normal Economy Return £
Day	78	58.50	128.50
Night	69	51.50	
Day	97.50	72.50	166
Night	86.50	63.50	
Day	91	66.50	150
Night	84	66.50	

Banks urged to lend more money to small businesses

BY MICHAEL BLANDEN

THE BANKS should give more discretion to local branch managers in lending money to small businesses, and the City institutions should devote a larger proportion of their funds to the smaller companies, Mr. John Bolton said yesterday.

Mr. Bolton, who five years ago headed the special committee to inquire into the finance of small businesses, said that though the banks were the main source of finance for this sector they were still not doing enough.

An increasing gap had arisen as a result of inflation, which had raised the need for working capital while reducing the value of assets which companies could offer as security. As a result, the lending limits provided by the banks had not kept up with inflation.

"More initiative and greater authority must be given to the local bank manager who alone can assess the real security behind increased current assets on a going concern basis, future cash flow and, the absolute essential, the skill of the people running a small business."

The institutional investors, which at the time of the Committee's investigations were putting only 0.3 per cent. of their new funds into small businesses, should improve their contribution.

Action had been taken on most of the committee's recommendations to improve the situation of the 1¼m. small concerns which accounted for some 20 per cent. of Gross National Product.

But, mainly because of inflation and increased taxation, "we are again back to 'square one'." Gaining access to adequate working capital remained the first problem of the small company sector.

Mr. Bolton was speaking at a conference to introduce a new service for small businesses being offered by ICFC-NUMAS, the management consultancy subsidiary of Industrial and Commercial Finance Corporation in the Finance for Industry group. Under the scheme, companies will be able to pay fees for consultancy advice on a deferred basis and in instalments.

It is hoped that the scheme will encourage more small companies to use the consultancy services. Mr. Ivan Momtchiloff, chairman of ICFC-NUMAS, said that Finance Corporation for Industry, the other main part of the Finance for Industry group, had attracted a lot of attention recently.

It had lent some £100m. to about 27 large companies during the past year as part of the expanded support for industry arranged with City institutions. But the small company sector remained a central concern of the group.

Mirror plan to link ad. rate to paper cost

BY MICHAEL THOMPSON-NOEL

MIRROR GROUP Newspapers advanced yesterday what it called a "revolutionary" scheme for short-term salvation of the national newspaper industry. It suggested newspaper advertising rates be geared to the cost of newsprint. When newsprint prices rose—a 10 per cent. increase is expected in May—advertising rates would rise in harmony.

"Fleet Street's advertising rates are much too low," Mr. Percy Roberts, Mirror Group's deputy chairman and chief executive, told the Royal Commission on the Press in London. "What is needed is joint action by the industry as a whole; it cannot be tackled on a piecemeal basis."

Mr. Roberts said the scheme was included in the group's written submission to the commission. He was disappointed that the commission had not taken up the theme in its interim report on Fleet Street's immediate financial crisis, published last week.

Prices of most national newspapers had increased in the past four months. Fleet Street faced a £22m. increase in its annual newsprint bill in May and pay increases of about £9m. in the autumn.

He had hoped that the Royal Commission if it approved the plan, would have approached the Price Commission and the Restrictive Practices Court in a bid to secure legislation that would allow Fleet Street, if it chose, to raise advertising rates across the board each time there was a rise in newsprint costs.

A 10 per cent. increase in advertising rates in May would produce an extra £13m. in revenue a year, assuming no drop in advertising volume.

The scheme was "fraught with the most appalling difficulties" but similar schemes worked well in parts of the U.S. An initiative by the Royal Commission might have prompted other Fleet Street managements to combine in pressing for the scheme.

Mr. Roberts said that the Mirror Group still belonged to the Newspaper Publishers Association's advertising and circulation committees, which performed valuable trade association functions, but it had dropped out of that part of the NPA that dealt with labour relations because it was dissatisfied with NPA procedures.

Fleet Street's marketing requirements were "totally ignored" by the NPA. Nor did it have a technology committee. The lack of such a co-ordinating committee held serious implications for Fleet Street's plans to introduce new print technology.

"The most horrendous mistakes are going to be made in the choice of equipment," said Mr. Roberts.

Mr. Roy Woolliscroft, Mirror Group manpower director, said the group had 55 major labour stoppages in 1969, at which point it began a dramatic overhaul of internal communications aimed towards a participatory style of management.

The unions received highly detailed monthly digests of information on costs, production, manpower, profits and circulations.

Prof. Oliver McGregor, the Commission's chairman, said: "It is good to know of one instance of open government in the newspaper industry."

Later, the Guild of British Newspaper Editors reiterated its fears about the prospect of a National Union of Journalists closed shop. An NUJ monopoly in journalism might be exercised in a relaxed and libertarian manner, but "an extremist-dominated NUJ could, and doubtless would, exercise it in a totally different fashion."

The guild produced for the Commission a written memorandum listing 20 statements, incidents and disputes which, it said, justified its fears on Press freedom.

But Prof. McGregor told the Guild: "It is fair to say bluntly that in my view the apprehensions you state are not supported by the instances you provide."

The Guild replied that its fears had been vindicated by recent events in Barnsley in which the Barnsley branch of the NUJ asked local news sources to refuse to co-operate with non-NUJ journalists.

BP protest as Italy bars protein plant

BY DAVID FISHLOCK, SCIENCE EDITOR

...E ARE NO scientific ...ls for the action of the ... Government in suspend... ... decrees authorising the ... Italy of the protein-from-... ...duct Toprina, says British ...eum in a statement issued ...lay.

...statement comes on the ... a meeting of the UN ...-Calorie Advisory Group ...ussels, called to discuss ... and use of factory-made ... manufactured from ...arbons.

...action of the Italian ...nment is preventing com...ning of a £30m. plant in ...a, built for Italproteine, ... venture between BP and ... the petrochemical arm of ...

... plant, designed to manu...e protein worth about ... a year, for use in animal ...uffs, is virtually com... and was to be in produc... this summer.

...cond 100,000-tonne protein-...il plant in Italy, designed ... Japanese, has already been held up for a year by the Government's refusal.

According to BP, the Italian Government is citing tests which it claims have revealed for the first time the presence of n-paraffins — the feedstock used in the Toprina process — in the lard of pigs which were fed on a diet containing 30 per cent. Toprina. These tests show a level of 71 parts per million — over four times the level anticipated by the Italian authorities when they issued authorising decrees for the plant in 1972 and 1974.

But BP contends that twice this amount of n-paraffin has been found in the fat of Italian cattle fed entirely on grass, because many common grasses, fruits and vegetables synthesise n-paraffins naturally.

It also says that rice on sale in a Rome store was found to contain up to 1,400 parts per million of n-paraffins. Italy sets no limit on the hydrocarbon's use as a polishing or glazing agent.

Varley refuses to save Greenwell dry dock

BY IAN HARGREAVES, INDUSTRIAL STAFF

...WELL Dry Dock on ...le has failed to win a ... from Mr. Eric Varley, ...ustry Secretary, who yes... announced his accept... ... a report advising the ...closure.

...well, part of the pub... ...ned North East Coast ...lders, closes officially to... About 500 men have lost ...obs.

...he final report holds out ...ner of hope for the Sun... dock, confirming that a ...s ago C. H. Bailey, the ... Channel shiprepairers, ex... an interest in acquiring ...ing the Greenwell assets as a ship repair yard.

...red by management con... Touche Ross, the report ...ur main reasons for ad... ...losure: that Greenwell is ...st profitable NECS yard ... Tyne and Wear, having ...£23,000 last year; its ...l isolation; the absence ...nker cleaning facility on ...ear and problems over ... and retention agree... with the unions.

...he context of the ship... industry's over-capacity, ...ctors make Greenwell on... either as a part of NECS ... an independent concern, ...e report. The closure of ...ell should increase the ...bility of NECS's Tyne yards and enable the £300,000 cost of closure to be recouped in the short term.

The report accepts that Greenwell has not been helped by frequent changes in ownership—it was part of Court Line for a time — but rules out the dock's chances of going it alone.

Although the labour force has offered suspension of retention agreements and a strike-free year, Greenwell is not well situated to attract the required level of business.

The report also rejects the claim that NECS deliberately undermined profitability at Greenwell in the way it farmed out orders. "Greenwell has gained rather than suffered from being a part of the NECS," says the report.

Mr. Varley's decision provoked strong reaction from local union leaders. Mr. Bill Porter, the Wearside secretary of the Confederation of Shipbuilding and Engineering Unions, said he was convinced the yard could be profitable, but claimed it had lost money recently because of the type of contracts it had received from North East Coast Ship Repairers.

"It is ludicrous if the Government can give £180m. to an American-owned, dying duck, Chrysler, but leave a potentially viable British yard to its fate."

SNOW REPORTS

	Depth (cms.) L U	State of Piste	Weather	°C
...	20 185	Good	Snow	3
...	28 62	Good	Cloud	2
...	140 180	Good	Fine	2
...bres	105 175	Fair	Cloud	1
...	15 40	Fair	Snow	0
...	8 260	Fair	Snow	5
...re	35 145	Good	Fine	0
...	10 70	Fair	Sleet	5

...ve snow reports were supplied ...l Club of Great Britain. L refers ...slopes and U to upper slopes. ...ving reports have been received ...r sources.

	Depth (cms.) L U	State of Piste	Weather	°C
...	0 25	Poor	Cloud	0
...rtal	35 130	Good	—	—1
...rgau	0 40	Poor	—	4
...LAND				
...	15 80	Hard	Cloud	—1
...	90 190	Good	Cloud	—3
...	40 140	Hard	Cloud	—3
...ld	10 70	Good	Cloud	—5
...	30 130	Hard	Cloud	—2
...	25 95	Hard	Cloud	—1
...	30 70	Good	Cloud	—2

...rms—Main runs mostly com... ...ower slopes—few runs complete. ...oken. Vertical runs 1,400 feet. ...el 2,000 feet. Glenshee—Main ...ly complete. New snow drifting. ...lopes: ample nursery areas. ...ow 1,000 feet. Snow-level 2,000 ...oe—Main runs all complete ...y on hard base. Lower slopes, ...rsery areas. New snow on firm ...ertical runs 1,400 feet. Snow ... feet.

BANK RETURN

	Wednesday Mar. 24 1976	Inc. (+) or dec. (—) for week
BANKING DEPARTMENT		
LIABILITIES	£	£
Capital	14,553,000	
Public Deposits	20,176,645	— 1,547,803
Special Deposits	985,290,000	
Bankers	316,681,362	+ 51,615,146
Reserves & Other A/cs	446,625,350	— 15,182,244
	1,781,328,357	+ 68,642,713
ASSETS		
Govt. Securities	1,401,451,480	+ 36,036,000
Advance & Other A/cs	290,338,582	+ 48,898,786
Premises, Equip't & other Secs.	80,909,684	— 2,736,238
Notes	8,371,464	— 3,544,685
Coin	247,191	— 10,169
	1,781,328,357	+ 68,642,713
ISSUE DEPARTMENT		
LIABILITIES	£	£
Notes Issued	6,135,000,000	+ 25,000,000
In Circulation	6,116,618,536	+ 28,644,685
In Bank'g Dept.	8,381,464	— 3,544,685
ASSETS		
Govt. Debt	11,015,100	
Other Govt. Secs.	5,371,652,208	+ 96,252,578
Other Securities	742,346,692	— 11,252,578
	6,125,000,000	+ 25,000,000

New exploration powers for State oil companies

BY RAY DAFTER, ENERGY CORRESPONDENT

BRITISH GAS and the British National Oil Corporation have been given new exploration powers under Government legislation which has gone through unnoticed by many in the oil industry.

Unlike oil companies, the State undertakings have been given authority to apply for exploration licences at any time, and not only when the Government issues block concessions.

Some in the oil industry fear that the legislation, which took effect on Saturday, could undermine their own exploration attempts. They claim that British Gas and BNOC have been given an advantage which goes against the Government's undertaking that BNOC will act commercially.

In particular, they are concerned that blocks for which they hope to receive licences, will be taken before the Government makes its general allocations.

The oil industry, which seems to have been taken by surprise by the measure, is to seek further clarification from Mr. Anthony Wedgwood Benn, Energy Secretary. But the legislation — statutory instrument No. 276—could lead to a row between oil companies and the Government.

The new powers, which are an amendment of the Petroleum (Production) Regulations, not only allow the two State undertakings to apply for licences; the Government also carries the right of asking them to undertake exploration and development work which, normally, would not be carried out for commercial reasons.

This can be seen as reserve powers should economic conditions dictate more State-backed North Sea development, for instance. The industry is anxious to hear whether the power to acquire licences at any time will also be treated as a reserve option.

It is understood that the Government is mindful that the infant BNOC may not be in a position to take a full operator-role in the fifth round of licences which are expected to be announced in the next few months. Consequently, it has left open the door for the Corporation to apply for licences next year or in 1978.

Oil companies are allowed to apply only for relinquished licences which had previously been allocated.

Chemicals price rise planned

BY RHYS DAVID, CHEMICALS CORRESPONDENT

A FURTHER application to the Price Commission to raise the price of a wide range of chemicals is likely to be made shortly by Shell Chemicals U.K., which made a £2.6m. loss on its operations last year.

The company, which has already introduced one increase this year of an average 8.4 per cent. on some 60 products, has said that it is now barely keeping pace with rising costs.

In particular, along with the rest of the chemical industry in the U.K., Shell faces a significant rise in the cost of its main raw material—crude oil—because of the devaluation of sterling in relation to the dollar, the currency used for oil transactions.

Total sales by Shell chemicals last year fell by 8 per cent. to £228.5m. from the £248m. figure of 1974 when a profit of £20m. was made—the only clear profit since 1971.

Home sales fell by 8 per cent. in volume, but only 1.5 per cent. in value, from £164m. to £162m., as a result of higher prices which the company was able to implement during the year.

In export markets, where many prices fell from the peak of 1974, there was a 21 per cent. drop in volume and 24 per cent. in value—down from £65m. in 1974 to £50m. last year.

The company says that the results could have been worse, except for a late recovery in the fourth quarter.

Along with ICI, which reported a sharp improvement in profits and sales in its fourth quarter, and various other companies, Shell experienced a significant upturn in demand at the end of last year. Output in some cases improved by 25 per cent. over the depressed levels of the middle of the year.

Mr. Gerard Fairtlough, the managing director, said yesterday there were signs this improvement was continuing, but it was still too early to be certain whether it reflected real demand or restocking. Some parts of the business also remain depressed, fibre raw materials in particular.

Mr. Fairtlough said that the higher levels of profitability which the company was seeking were essential if it was to go ahead with its investment programme, which would be expanded substantially.

£150m. Market loan will expand steel works in North-East

BY ADRIAN HAMILTON

THE COMMON MARKET Commission yesterday approved a £150m. loan to the British Steel Corporation.

It is the largest loan to be made so far under the European Coal and Steel Community treaty and will be used to help finance the Corporation's current £1.5bn. investment programme at the Redcar and South Teesside works on the North East Coast.

Coming after a series of smaller, but still substantial loans for other BSC investments over the last few years, the latest EEC offer makes the Community one of the largest single sources of new investment capital for the Corporation.

Total loans to the BSC approved under the ECSC treaty stand at almost £390m., of which £174m. has already been disbursed. In addition, the Corporation has been granted loans to the value of £160m. from the European Investment Bank.

The loans, generally for five years, are at low interest rates and represent more than a quarter of BSC's total outside indebtedness, second only to public dividend capital from the U.K. Treasury which is now being restricted.

The latest tranche of ECSC money is specifically earmarked for the second phase of the Corporation's investment in new facilities now under construction at Redcar and South Teesside.

Planned to produce an output of about 5m. tonnes a year of crude steel by 1978, the facilities include construction of a new 10,000 tonnes-a-day blast furnace, a modern coke furnace and increased capacity at BSC's Lackenby steel-making shop and the rolling mills at South Teesport.

Work on construction of the facilities has begun and, when completed, the Teesside area is planned to represent one of the most modern coastal steel works in Europe. The EEC, announcing the new loan, said that it had approved a further loan of £15m. under the treaty to the National Coal Board.

That loan is to help to finance construction of a new drift mine on the site of the existing Prince of Wales colliery near Pontefract on the North Yorkshire coalfield.

Taken together, the two latest Commission approvals bring to £530m. the total loans approved for the U.K. under the ECSC treaty.

Banks told to obey EEC restrictive practice rules

BY A. H. HERMANN

THE EEC Commission will apply its rules on competition to agreements between banks, according to Mr. D. Thompson, a Commission official dealing with restrictive practices. Mr. Thompson told a conference in London yesterday that any exclusive bilateral agreement between banks could lead to prosecution under Article 85 of the EEC Treaty.

It was believed previously that banks fell under another section of the Treaty dealing with co-operation between member States in economic and financial matters. But Mr. Thompson said this section applied only to monetary matters.

The conference, convened jointly by the London office of the European Commission and the London Graduate School of Business Studies, was attended by representatives of major British industrial groups of CBI and of Government Departments.

New North Sea oil strike by British Petroleum

BY RAY DAFTER, ENERGY CORRESPONDENT

BRITISH PETROLEUM has discovered a new North Sea oil field in the next block to the significant Ranger Oil discovery announced earlier this month.

The BP find, on block 23/26, is believed to be a small one, however. Industry estimates suggest that recoverable reserves are less than 150m. barrels although further drilling will be required to test the structure.

BP said that its first exploration well on the block tested a flow rate of 4,800 barrels a day and that there was evidence of a "small accumulation" of oil.

The reservoir appears to contain some of the lightest crude so far found in the North Sea. BP said that the gravity was 42 degrees.

Development

Sea Quest, the semi-submersible drilling rig used in the exploration, is now being moved north to block 16/11.

Initial tests indicate that the field is not directly connected to the structure tested by the Ranger group on 23/27, some 160 miles East of Aberdeen. Ranger said that "a thick oil-bearing sandstone reservoir," had been encountered.

While the BP find appears to be bigger than Shell/Esso's Auk Field and Hamilton Brothers' Argyll Field—both of which are now on-stream—it must be considered a marginal prospect in view of the present high development costs.

Two other exploration groups have announced the start of new drilling programmes. Elf-Erap will begin its first drilling operation in the Celtic Sea off the Irish coast by mid-April.

The well will be drilled from the semi-submersible Neptune 7 rig which will be brought from the Norwegian sector of the Frigg Field. Elf-Erap is the operator for a consortium which includes Nittigen, Eireann Teoranta and Erges. Elf-Erap is seeking other partners for the venture.

Home Oil (U.K.), the operator of a 15-company consortium, is using the semi-submersible Odin Drill to drill an exploratory well on 21/7, immediately West of the Forties Field.

Home Oil and Bow Valley Exploration have taken a stake in the licence by acquiring a share of the interest held by 10 other companies through a farm-in agreement.

As part of the terms of the agreement the companies involved in the assignment of interests have accepted the principle of 51 per cent. State participation in their share of the block.

Kewanee Oil Company, Pacific Petroleums (U.K.) and Sunlite Oil Company are not involved in the farm-in arrangement and, as a result, their interests in the licence are not diluted.

Platform afloat

Other companies involved in block 21/7 are: Baytrust Oil Exploration; Berry Wiggins (Sea Search); Chieftain Exploration; GAO (U.K.); Husky Oil; Oxoco (U.K.); Tanks North Sea; Tanks Oil and Gas; Transocean Oil (U.K.), and Union Oil Explorations.

● Britain's first all-concrete North Sea gas and oil production platform was floated out from the construction yard at Ardyne Point in the Firth of Clyde yesterday.

The £43m. platform, destined for the Anglo-Norwegian Frigg Field, has been towed to Loch Fyne for immersion tests at a 650 feet deep anchorage.

Norwegian-built machinery and accommodation modules will be fitted before the rig is towed to the field.

Engineering orders dwindle

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

THE PLIGHT of the engineering industry is illustrated by the latest sales and orders statistics, which show that at the end of last year its order books were at the lowest level since 1971.

Orders in hand dwindled during the year. Domestic order books fell by 25 per cent., and outstanding orders for export 19 per cent.

The inflow of new orders last year was lower than in any year since the Department of Industry indices were first presented in their present form in 1969.

The only consolation for the industry, according to figures in *Trade and Industry* magazine to-day, is that export orders in hand in December were still well above the low levels of the 1971-1972 recession.

The home market had never been more short of orders in the previous eight years.

Indications from the industry are that for most engineering sectors the bottom of the trough in demand was reached at the New Year. Some more volatile parts of the industry, machine tools and forklift trucks for example, have experienced very slight signs of revival in recent weeks.

The success of many engineering companies in exports last year, spurred on by depressed home conditions, is disclosed by the Department of Industry statistics.

Sales to the export markets were higher than at any time since 1969.

Total sales by the industry fell throughout the four quarters of last year, and in the final quarter were 7 per cent. lower than at the same point a year before.

Rolls-Royce and Snecma seek new engine deal

By Michael Donne, Aerospace Correspondent

TALKS between Rolls-Royce (1971) and Snecma, the French aero-engine manufacturers, on the future of the M45H jet engine are still in progress, and suggestions that the French company intends to withdraw totally from the project are premature.

What Snecma is seeking is a new agreement to replace the existing ten-year collaborative on the M45H, that is about to arrangement with Rolls-Royce expire.

It is clear, however, that Snecma wants any new agreement to contain a substantial reduction in its financial commitments on the M45H engine, probably even to the point whereby it ceases to have any investment responsibility and reverts to the status of a sub-contractor only.

At this stage, neither side will disclose what the new financial arrangements are, but Rolls-Royce is understood to be objecting to having to bear any future development costs.

Any revised arrangement, therefore, involving higher costs for Rolls-Royce, would have to give Rolls-Royce a bigger share in the production of the engine (which is split between the two firms), and any ultimate profits.

At present, the engine is used solely in the VFW-614 short-haul feeder-liner, now under production in West Germany.

Potential

Up to now, the U.K. Government, through the Department of Industry, has paid Rolls-Royce £11.2m. in aid towards the engine, out of a total commitment of £13.6m. The rest of this cash is being withheld, pending settlement of the present discussions.

The French attitude is believed to be based on dissatisfaction with the long-term prospects for the engine, and on pressures on available funds from other aerospace programmes.

Rolls-Royce, however, feels the engine has long-term potential, and in any case VFW-Fokker's contract to buy the engine is with the U.K. company, so that R-R has obligations it cannot escape.

A further step towards bringing into service the longer-range Lockheed TriStar and long-range Boeing 747 airliners was announced by Rolls-Royce (1971) yester-day.

The company said the U.S. Federal Aviation Administration has now given full clearance for airline operation of the advanced version of the RB-211 engine—the Dash 524, which develops 50,000 lbs thrust compared with the 42,000 lbs thrust model which powers TriStar jets in service.

The Dash 524 was approved by Britain's Civil Aviation Authority in December. Approval by the U.S. authorities increases the sales prospects not only of the engine but also of the aircraft it will power.

YACHTING — BY ALEC BEILBY

Kriter II fails to beat GB II's record

THE FRENCH ketch Kriter II finally arrived in Dover yesterday morning, failing to beat the Sydney-to-London sailing record set by the British yacht Great Britain II four weeks ago when [illegible] Financial Times Clipper Race by [illegible] days.

Kriter, which had to return to Sydney to replace her rudder and then re-start 27 days behind the other competitors, was at times well ahead of the British record-breaking time.

But it was during the final days of her voyage, that the real chance of salvaging something in spite of her earlier problems was lost.

Still level with GB II's time, Kriter rounded Ushant into the Channel beset by gale-force headwinds, and then fell into a calm off the Channel Islands.

When the Westerly winds returned on Wednesday, she was already a day behind the British yacht on elapsed time, but she covered the final times up the Channel to Dover at an impressive 10 knots and more.

The mid-day welcome at Dover was dominated by French friends and supporters. But for the skipper, Olivier de Kersauson, the most poignant moment after greeting his family was to meet the GB II skipper, Roy Mullender.

He had last seen Roy in storm-torn seas off Southern New Zealand when his yacht had lost her steering gear and Mullender's team had stood by until waved on to almost certain victory by the French.

The French crew, glad to finish, were despondent at just failing to beat the record. But in spite of their 27 lost days, they have beaten the Dutch ketch, The Great Escape, due at Dover last night.

They collect not only the second prize for the full distance, but have also beaten the 105-year-old record established by the clipper Patriarch, by 12 hours.

This was a feat that many yachtsmen thought impossible in modern yachts restricted to a maximum of 73 feet on the waterline, and the French add this to their outward record against Patriarch, when they were beaten to Sydney by GB II by only 6½ hours.

The difference between the top picture and the bottom picture could be only a few hundred pounds.

"So now gentlemen, if you're all ready, we will give you our recorded presentation of next year's plans."

Click. Whirrrrrrrrr-bzzzzz. Click. Bzzzzz. Click. Bzzzzz. Click. Click.

"Er, sorry gentlemen. A slight technical fault."

Click. Bzzzzzzzz. Click.

"The engineer won't keep us long, gentlemen."

If you have an unreliable videocassette machine, the above situation will be quite familiar.

It's embarrassing for you, for your company and your company's clients.

Which is why we'd like to tell you about the Sony U-Matic videocassette machine.

One word describes the main advantage the U-Matic has over similar machines.

Trustworthiness.

The U-Matic has an incredible reliability record. And so it should have. It's well-built, well-designed, by people who know all there is to know about videocassettes.

(Sony invented the U-matic system, which has been adopted by other manufacturers throughout the world.)

It's so reliable, that one shipping company we know has just replaced a whole shipload of other machines, used for showing programmes to the crew, with a fleet of Sony U-Matics.

Of course, this kind of reliability isn't cheap. The U-Matic costs two or three hundred pounds more than some other machines.

But consider what you get.

The U-Matic videocassette machine available in Britain switches instantly to play back the American colour system (when used with a special Trinitron monitor). It also has a Memory and Repeat control, allowing you to repeat the tape ad infinitum.

The U-Matic is the only one with a totally enclosed tape which keeps it free from grease and dirt.

The tape, record, and play-back heads have a life expectancy of up to double that of competitive machines.

And astonishingly our cassettes are considerably cheaper to buy. A few hundred cassettes will save you over a thousand pounds.

When you think about these advantages, the extra you pay for a Sony U-Matic starts to look like a real investment.

Especially when the other benefit you get just can't have a price put on it.

The comforting thought that you can go into a big presentation with the U-Matic and come out again without a red face.

SONY.

To: Sony Video Showroom, 134 Regent St, London, W1. Tel: 434 1712.
Please tell me more about the U-Matic.
Name________________
Company________________
Address________________

FT/26/3

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● METALWORKING

U.K. idea forges ahead

COMMERCIAL scale plant is under construction to apply a new British-designed and patented technique called spray forging to produce about 1,600 tons annually of forgings of about 1lb. in weight.

First described in the Financial Times on April 8 last year, the process has aroused very considerable interest all over the world, not only because of the very remarkable reduction in energy input it allows but also because the steps from scrap metal to finished forging take only a few seconds to complete, while manufacture of forgings from the most exotic alloys is greatly simplified.

The technique will turn out the forgings in typically ten seconds from start to finish. The big plant, to be operating in early autumn, is going up at Osprey Metals, Red Jacket Works, Millands, Neath, Glamorgan.

Osprey and its two inventors, Dr. Gwyn Brooks and Mr. Jeffrey Coombs, have had the backing of BOC International in taking the pilot work into full-scale status—the 1,600 ton a year plant will fit into a floor area of 2,000 square feet, including raw materials storage, forging and clipping.

In simplest terms, the process involves the melting of scrap or other metal in a furnace. As it is poured into a die, it is subjected to a jet of argon or nitrogen gas which breaks it up into fine droplets which are projected fast enough into the preform die to fill it in seconds.

Heat dispersal takes place so fast that the preform can be taken out of the die immediately. In favourable circumstances it can be placed directly in a one-stroke press to complete the forging, with further energy saving.

Normally, preforms would be stockpiled and forged after re-heating because of the speed of the process and the need to carry out quality control procedures.

Of interest to users of exotic or high performance alloys is the fact that the process can achieve 98 per cent. of theoretical density. What porosity there is follows a uniform distribution and is not interconnected. Internal oxidation is avoided.

Savings over a range of metals are expected to be substantial: of the order of 50 per cent. In money terms, they are likely to be appreciably higher with more sophisticated alloys.

Savings in energy input are remarkable. If conventional forgings are considered, it requires 143 to 171 therms per ton to complete them while by the Osprey process, the input is only between 83 and 115 therms depending on the type of forging. With the current cost of energy from every source constantly on the rise, widespread introduction of the process in Britain could give a significant export cost advantage, remembering that output in the industry is around the 600,000 tons per year mark.

Of particular significance is the fact that the process has been used to make such complex designs as bevel gears and there appears to be no obstacle to the forging of such parts as turbine blades, which demand particularly high integrity in manufacture.

Further details from Osprey Metals on Neath (0639) 3843.

PETER CARTWRIGHT

● AUTOMATION

Assembly machine taught to take orders

"THINGS ARE never what or where they are supposed to be" is the axiom behind much of the work carried out by Peter M. Will's team on automatic assembly problems at IBM's Yorktown Heights laboratories.

But while the team is looking into such abstruse matters as understanding what it takes to do assembly work, what is the boundary between manual movement sequences and a suite of instructions evolved automatically once a "simple" command is given, Will insists that he is not "an artificial intelligence man."

*Speaking at a recent IBM R and D symposium in Brussels, he made a very clear distinction between the goals set for his small research group and those sought by manufacturers of the ASEA, Versatran and Unimate robots. The IBM goal is a universality these robots do not possess: to include ability to recover from mistakes, to reject components which do not fit the description held in memory, to manipulate components to the right position however they may be presented and above all to incorporate all these qualities in a low-cost entity which is as easy to instruct to carry out one set of operations as any other.

More than this would indeed be artificial intelligence. As it is, the instruction sets for the equipment are comparatively difficult to write and the project will undoubtedly run for some time yet before coming to fruition.

The object of the work is to move and assemble objects fitting within a foot cube, weighing a few pounds and needing a few pounds force to handle. This describes a vast volume of parts and mechanisms moving down assembly lines all over the world, and in IBM's own plants in particular.

Work done to date includes the design and building of a mechanical arm which is already able to carry out some sophisticated work, including actual assembly operations, and that at quite high speeds.

This arm has seven degrees of freedom: three to permit it to position the gripper at any point in space, three for arbitrary orientation of the gripper and one for opening and closing the jaws. The gripper has a tiny "cats whisker" sensor for proximity detection and strain gauges to control pressure on the object.

Arm positioning is accurate to within five thousandths of an inch, according to Will.

Chief objective at the moment is to work out the programming techniques and a language which will enable production staff to tell the equipment what to do in a relatively restricted number of plain English words which will not be divorced from the operation they are intended to command.

Apparently simple, this objective nevertheless demands programmes written as a heirarchy and starting with simple sets to start and stop servo-motors, analyse sensor signals, carry out bulk movement, recognise parts etc., up to complex orders like those a human operative could be given.

Naturally the test equipment has its own mini. But it also is linked to some very powerful computing facilities to permit development work on the language and the highest level programmes to proceed quickly.

It is envisaged that instructions to the machine would include some description of the parts to be handled, fixtures in the assembly area and the operations to be performed with these parts. It would also have to be told about obstructions in the work area and how to avoid them or what to do if an unexpected solid object got in the way of the arm.

Will appears confident that once the programming and language problems have been solved there is no reason why the resulting assembly units should not be comparable in cost with existing robots, though infinitely more versatile.

Volvo move on robots

A CONTRACT valued at approximately £750,000 has been awarded to *Unimation, of Telford* (Telford 585817) for a 30-Unimate industrial robot body framing and re-spot line to be installed in Volvo's Torslanda factory by late summer this year. This brings the total of Unimate robots employed by Volvo to over fifty.

The new system, installation responsibility for which has been awarded to MST, a member firm of Consorzio Macchine Utensili, Turin, will mark a new departure.

Product design and the manufacturing concept is aimed at placing as many welds as possible in the re-spot line to attain maximum use of the robots. The framing station, which establishes the dimensional integrity of the car body will be "robotized." This is unique in the automotive industry and will provide the ultimate in body welding flexibility. Fifty-two spots will be used to pre-tack the body. This first framing station will incorporate seven Unimate robots in a multi-level array.

Volvo began evaluating Unimate robots at Torslanda in 1972, in sub-assembly spot welding applications such as roof rails, wheel house assemblies, underbody fabrication and rear window frame welding. Based on the results of increased productivity and highly reliable performance (better than 97 per cent: up time), Volvo contracted for a complete turnkey re-spot line with Unimation Inc. in 1973.

The new award takes this automation a long step further.

● POLLUTION

Burning toxic waste

EXCLUSIVE rights for the disposal of hazardous wastes arising from the chlorinated hydrocarbon and other chemical industries in the U.K. and Eire have been granted to TR International, a Simon Engineering company, by Matthias Verbranding BV of the Netherlands, who operates the Matthias incineration ships designed and owned by SBB (Stabl and Blechbau).

These wastes will be incinerated at sea aboard the Matthias vessels, the third and latest of which is equipped with an incinerator capable of handling solid waste in adition to liquids.

The incinerator has a total height above deck of 15.3m. and an outside diameter at the top of 15.4m., is positioned towards the rear of mv Matthias III which incinerates while steaming into wind. Twenty burners, through which liquid waste at the rate of 1,000 to 2,000 Kgs. per hour can be injected at the same time as the fuel, are installed in the upper part of the furnace.

This means liquid waste destruction is between 20 and 40 tonnes per hour.

Solid materials in drums are transferred by hydraulic crane from the deck to a turntable located excentrically in the lower part of the furnace. This turntable transports the drums through increasing temperatures to the incineration area under the upper furnace. Both drums and contents are combusted. After-burning takes place at the furnace level containing the burners for liquid waste so that no unburnt gases or particles are emitted to atmosphere.

A "black box" records details of all the operations and a record on film is forwarded at regular intervals to international authorities for inspection.

Further details from Simon Engineering, POB 31, Stockport, Cheshire. 061 428 3600.

Clean way to destroy poisons

A MICROWAVE plasma process being developed to decompose up to 100 lb. of toxic organic wastes an hour shows promise of industrial application within two or three years, according to the U.S. Environmental Protection Agency. A contract placed by the agency with Lockheed has produced an apparatus to decompose several pounds of waste per hour and recover the component elements.

Decomposition by microwaves is not new but experiments in the past have reduced only very small quantities of a gram or two. Now Lockheed is working to increase the capacity to 100 lb. an hour.

The system is based on a reactor tube through which the toxic waste is passed. Microwaves applied to the tube produce ionised gas and the electrical-chemical interaction instantly begins to decompose the waste.

Lockheed Missiles and Space Company is at Sunnyvale, California 94088, U.S.

● ELECTRONICS

Search for reliability

RCA Solid State has won a $1.4m. contract from the U.S. Navy for the design and development of linear and digital hermetic integrated circuits in plastic packages. This represents an extension of RCA's commercial "Gold Chip" programme, which currently covers 31 linear device types including operational amplifiers, comparators and arrays.

The new programme is designed to demonstrate lower-cost fabrication techniques for hermetic military qualified integrated circuits, and involves extending the RCA concept to meet military requirements for hermetic devices.

Under the terms of the contract, the failure rate goal is 0.005 per cent. per 1,000 hours of operation, with minimal cost increase over commercial Gold Chips.

This failure rate goal is the most stringent yet proposed by the U.S. military for any plastic encapsulated integrated circuits.

These circuits offer the user hermetic performance through a noble-metal interconnection system using *silicon nitride passivation*. The metallisation technique is based on a three-step process, usually involving titanium, platinum and gold as opposed to conventional aluminium metallisation. By replacing the aluminium metallisation with a noble-metal system, one of the basic failure mechanisms—aluminium corrosion—is eliminated. The tri-metal process, in conjunction with the silicon nitride passivation, provides a barrier impervious to both moisture and alkaline contamination, resulting in a true hermetic die.

The resultant circuits can be encapsulated in plastic packages and yet still provide hermetic performance. Because plastic packages are used instead of the costly ceramic packages normally used for conventional hermetic integrated circuits, the circuits are much lower in cost, and yet are expected to meet the full military requirements for hermetic performance.

RCA Solid State, Sunbury-on-Thames, Middlesex, TW16, 7HW. Sunbury 85511.

Determines moisture in forage

WATER content of grass and forage crops can be measured to within ±5 per cent. with a portable, battery operated and easily used meter put on the market by N. J. Froment and Co.

Measuring only 11 x 5¼ x 4¼ inches, it is used by inserting a 5¼ x 3¼ plastic sample bag filled with the test material into an aperture in the side. The sample is compressed by turning a knob on the top panel and, *after allowing 20 to 25 seconds* for the temperature compensator to settle, a meter reading is obtained by operating a switch.

To obtain actual moisture content the reading is referred to an appropriate log card supplied by the maker.

The bag system eliminates contamination of the meter and subsequent false readings and enables the sample to be retained for future reference. *Moisture contents between 30 and 75 per cent.* can be dealt with.

More about the instrument, which is designated 1209 and costs £98, from Cliffe Road, Easton, Stamford, Lincs. (0780 51051).

● INSTRUMENTS

Finds the flaws

COATINGS ranging from thin films to thick coal tar can be tested for holidays (flaws) using a portable self-contained unit introduced by Metrotect, Tonbridge, Kent (07322 5141).

It consists of a lightweight detector unit with shoulder strap and hand-held brush or rolling ring probe (for use on tanks or pipes respectively), a battery power pack in the form of a belt and a separate charging unit.

A voltage that can be set between 2.5 and 30 kV. is generated in the probe beyond the point at which it is held. Applied to the probe it causes an arc-over through air when an uncoated area is passed over, resulting in audio and visual indication. An overload trip operates if the arc-over is not cleared in ten seconds.

The high voltage and other circuits are solid state and the equipment can be operated from a 12 V car battery in an emergency. The detector unit weighs about 1.4 kg. and the power pack 1.6 kg.

● COMMUNICATION

Low cost telephone answering

OFFERED BY Ansafone is a compact and robust telephone answering machine called the Ansafonette Slimline 100.

It is introduced on a rental basis of only 90p per week if installed for a three-year period on a pre-payment basis, and a little more under a one-year agreement.

The system uses a rapid change cartridge devised so that users can create their own library of responses to meet various circumstances. Any updatable information can be made available to telephone callers at any time of the day or night. Ansafone is at 179 Baker Street, London, W.1. (01-486 8421).

Captures a wealth of information

COMPACT multi-channel tape recording systems for use at airports and other communications centres are offered by Harland Simon, Milton Keynes, a member of the ASEA group.

Capacity for simultaneous recording of up to eight incoming channels continuously over 12 or 24 hour periods is provided with useful optional facilities and a range of peripheral equipment.

The most comprehensive system has dual decks and dual audio circuits. It provides full 24-hour record/replay facilities, using standard ¼ inch long-play tape, for up to seven channels with maximum protection against loss of recording. Fault monitoring and automatic switching circuits transfer recording to a standby channel in the event of one channel failure, and the entire recording operation to a standby deck in the event of more than one channel failure.

Risk of tape breakage is virtually eliminated by employing friction braking for final stopping and parking only. The electronic circuits are rack mounted, plug-in, printed circuit modules and include one record/replay/monitoring module for each channel; bias and monitor tone oscillator module; meter/alarm and equalisation module and power amplifier/loudspeaker module.

Harland Simon, Milton Keynes (0908) 75331.

● HANDLING

Continuous single-pull winching

A HYDRAULICALLY powered linear winch has been developed for mechanical handling applications where a continuous single-pull operation is required.

Designed to operate under automatic or pushbutton control, it is capable of exerting a 200 ton pull on wires up to 2¼ inches diameter, and will pay out the wires at load ratings from maximum to zero.

Horizontal pulling is by two hydraulically actuated wire grip assemblies which traverse within the winch frame. Operation of the grippers is co-ordinated to provide a uniform pull to the wire by alternate gripping. On automatic operation, the reciprocating motion of the grippers is controlled by limit switch sensing.

A load-cell dynamometer, in conjunction with a chart recording head, monitors and records the load, and can be used to stop the winch when the load reaches a pre-set level.

Consisting basically of a winch assembly, hydraulic sub-station, power packs, control console and reel winder, the winch is available in four models. Winching speeds obtainable with a 200ton pull range from 6 feet/min. with the LW-1A model to 25 feet/min. with the four-pack LW-4A unit.

The winch was developed by Ardon Design and Manufacturing Co., Wilson Road, Huyton, Merseyside, L36 6AW (051489 4441).

● COMPUTERS

Putting the ICL baby on-line

THE 550 U.K. buyers of the ICL 2903 computer can go on-line with the help of a package developed and marketed by CAP (*Computer Analysts and Programmers*).

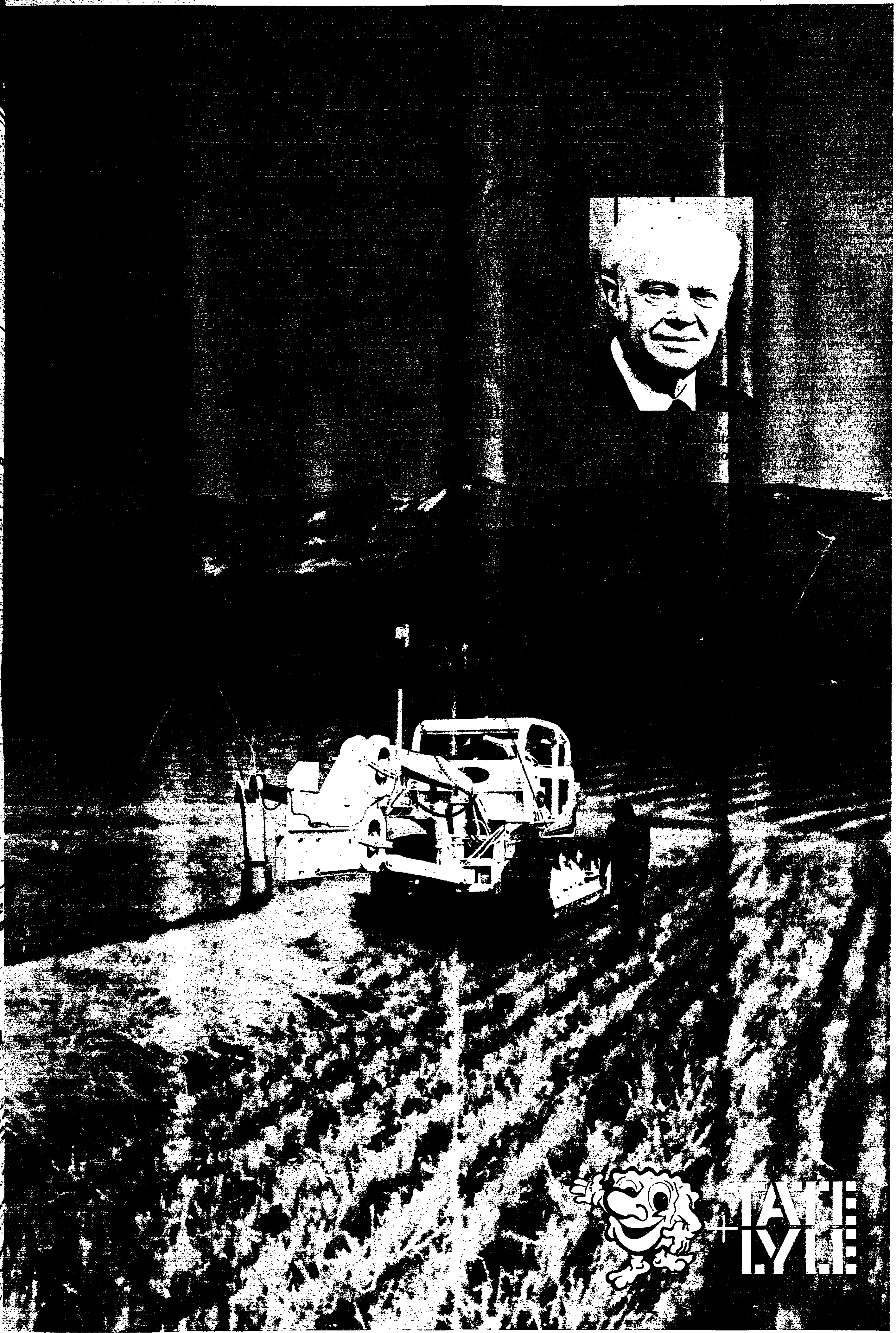
TP-2903 is suited to the smaller business systems user who may not have had previous on-line experience. It was developed from CAP's work in designing and implementing systems of differing degrees of size and complexity. Among them are the Mothercare-by-Post order entry system; a very large system for credit card processing, and the 2903-based Blackwell Scientific Publications project.

Several stages can be selected which build up to a complete on-line environment. The heart of the package is the run-time monitor but this is extended by a number of development aids which reduce the design and programming effort to a great degree.

By the time the first TP-2903 package is sold CAP expects to have invested almost £100,000 of direct costs and fees in the methodology, over a period of 14 months.

TP-2903 facilities can be bought outright or rented, and are fully supported by the company in any way from simple installation of the package to design and construction of the entire on-line system.

CAP operates from 14, Great James Street, London WC1N 3DY. (01-242 0021.)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PARLIAMENT

Security effort has Rees's full support

BY JUSTIN LONG, PARLIAMENTARY CORRESPONDENT

THE GOVERNMENT is prepared to back up the security forces in Northern Ireland in every way possible and will not hesitate to bring fresh legislation before Parliament to this end as solutions are found, Mr. Merlyn Rees, Northern Ireland Secretary, assured the Commons yesterday.

Detailing the success of the security forces in recent months, Mr. Rees stressed that these successes were only a means to an end. The aim was restoration of law and order and how best to maintain it for the next few years.

With the progress in restoring the primacy of the police, the Minister linked the Government's major economic help for Northern Ireland and the decision to hold a wide-ranging review of economic and industrial strategy.

From the Tory front bench, Mr. Airey Neave promised Opposition support for positive direct rule, but urged the Minister to ensure that it did not give rise to a political vacuum in Ulster.

Mr. Rees, opening the debate on these issues, told MPs that terrorists could no longer be sure of a safe haven in Northern Ireland.

"Increasingly, people know the terrorist for what he is in Northern Ireland. Experience has taught, again and again, that the rule of law is the rule of a stable society."

It was his strong view that the existence of detention had not only estranged a part of the community but also cast a shadow over the law itself.

"Now that no one is in detention, there is no doubt in my mind that in minority areas there has been a change of attitude and this is reflected by the increased co-operation given to the security forces in dealing with terrorists."

Mr. Rees emphasised that there were no political restraints on the security forces in discharging their duty to catch terrorists and bring them before the courts.

He said the Government was constantly considering whether they could make improvements in the law.

The Government had been urged to adopt a provision similar to that operating in the Irish Republic under which prosecutions for membership of a proscribed organisation could rest upon a declaration by a chief superintendent that, to the best of his belief, a man was a member of the IRA.

Mr. Rees said: "I understand why this provision can be used in the Republic, but to translate it to Northern Ireland, where there is a divided community, would not be acceptable. It would set back the acceptability of the police throughout the community which, above all, is important in pursuing terrorism."

The success of the RUC and the Army shown by figures of arrests, convictions and finds of arms and explosives did not indicate inactivity by the security forces. "They do not support the shameful allegations that for some incomprehensible political reason the Government is restraining the security forces in Northern Ireland."

The Government, for its part, would do everything it could to assist the people of Northern Ireland to uphold the rule of law through the army and police. "We continue to promote co-operation with the Government of the Republic who have, themselves, had conspicuous success this year in dealing with terrorists."

Mr. Rees said he and his colleagues were examining the action and resources required for the next few years to maintain law and order. "It is only in the context of the effectiveness of the police that we can talk about the reduction of the army. I want to make it clear that it is the determination of the Government to keep the army in Northern Ireland as long as necessary."

Aid to film industry means £2.3m. now

By Peter Hennessy, Lobby Correspondent

THE PRIME MINISTER yesterday announced immediate Government aid for the British film industry amounting to £2.37m. The money will be channelled through the National Film Finance Corporation.

The Government will eventually provide up to £5m. of capital for the film industry through a new British Film Authority. Legislation would be required for long term assistance to the industry, Mr. Wilson said, but a preparatory committee, representing the Cinematograph Films Council and the NFFC, would be convened to ease the transition.

"The Government accept the value of a strong British film industry, able to take its place in a competitive international market and providing audiences, here and abroad, with an up-to-date image of our society and of the quality and power of our creative artists," he said.

Mr. Wilson accepted the findings of a working party under Mr. John Terry, which reported in January, that public funds would generate at least twice as much investment from the private sector. The film industry itself was already willing to divert £1m. for this purpose.

Butter price rise prospect

THE PRICE of butter could rise by 8p to 9p a pound, and cheese 5p to 6p a pound, by the end of the year, Mr. Edward Bishop, Minister of State, Agriculture, said in the Commons yesterday.

He said that these increases could occur if the EEC prices, agreed at Brussels, were fully reflected at retail level. The exact increases would depend on how much market factors allowed cost increases to be passed to the consumer.

Mr. Francis Pym, Shadow Agriculture Minister asked if Mr. Bishop agreed with EEC Farm Commissioner Lardinois when he said that, because of Britain's membership of the EEC, food in this country had been cheaper than it would otherwise have been.

Mr. Bishop said he did, and added that he also agreed with M. Lardinois's statement that the Minister of Agriculture (Mr. Fred Peart) had obtained a good

Tories fail to prevent farm tenancy change

TORY MPs protested in a Commons committee yesterday at a Government concession widening the scope of eligibility of near relatives to succeed to a farm tenancy on the death of a tenant farmer.

Mr. Gavin Strang, Parliamentary Secretary, Agriculture, said he was prepared to accept an amendment from Mr. Caerwyn Roderick (Lab., Brecon and Radnor) relating to the length of time a near relative must have derived his principal source of livelihood from work on the farm to be eligible to apply to the Agricultural Land Tribunal for the right to succeed.

Under the Agriculture (Miscellaneous Provisions) Bill, which MPs were discussing, this must be for five out of the seven years before the death of the tenant farmer, although three of those years could have been spent attending a full-time further education course in agriculture.

Mr. Roderick argued: "It is quite ludicrous for us to confine this education to a course in agriculture."

Tighter security checks planned for Commons casual workers

SECURITY is to be tightened up at the Palace of Westminster following reports that a former member of the provisional IRA had obtained casual work in the MPs' kitchens.

Mr. Edward Short, Leader of the House, yesterday announced the following new measures affecting casual staff employed in the building: Closer liaison between the police and the departments dealing with casual labour; more stringent proof of identity; and stricter control of the movements of casual labour in the building.

Mr. Short, who was answering an emergency question, said that employment security would be tightened up and other measures taken.

The Speaker, Mr. George Thomas, said that very soon he would announce measures contained in the report of a special probe into Commons security, compiled by Deputy Commissioner Mr. James Starritt, of Scotland Yard.

Mr. Short said he was not satisfied with security at Westminster but it was a difficult situation with some 2,000 people a day in the building. There was no reason to suspect that the person concerned (a casual worker in the kitchen) either had been or was a member of the IRA.

Mr. Short stressed that there was already a very strict check on casual workers. "I have seen a list of the times this particular person entered, the times he checked in, and the number of the passes issued to him."

There was the greatest difficulty in getting the balance right—"a free parliament with reasonable access to the public without unduly draconian restrictions."

Mr. Michael Brotherton (C. Louth) said there was a responsibility to everyone in the building as well as MPs. He urged some sort of screening to ensure that people were not put at risk.

Mr. Short, in a statement, said the man in question had been employed on a casual basis between March 3-22 when, he understood, the need for his services came to an end.

Mr. Short did not want to comment on this particular case although it highlighted the security problems. He had had talks on Wednesday with those dealing with employment, and security in the building.

MP calls for far greater devolution

By Peter Hennessy, Lobby Correspondent

MR. JOHN MACKINTOSH, Labour MP for Berwick and East Lothian, and an authority on constitutional matters, yesterday published a pamphlet urging the Government to devolve far greater powers to Scotland than those envisaged in the White Paper published last autumn.

He recommends the establishment of a Scottish Parliament rather than an Assembly, with its own Prime Minister rather than a chief executive, invested with wide-ranging powers over economic development, agriculture, law and education.

Mr. Mackintosh will present his proposals to a meeting of the Scottish Council of the Labour Party at Troon this week-end as a means of undermining the Scottish National Party.

"Because the Scots would have in their control all the powers that can usefully be exercised in Scotland, any further devolution could only mean the creation of an independent State. The majority of Scots clearly do not want this.

"The result would be to put tremendous pressure on the SNP because it is a party containing a diverse agglomeration of views. Forced to make up its mind on a mass of political issues, it might break up into its component parts," he writes.

Spending

Among the specific amendments to the Government's White Paper proposed by Mr. Mackintosh are the abolition of the office of Secretary of State for Scotland, the devolution of powers under Section 7 of the Industry Act the responsibilities of the Scottish Development Agency, the Scottish sections of the Manpower Services Commission, the Training Services Agency and the Employment Service Agency.

Between 70 and 80 per cent. of Scotland's total public expenditure should be allocated in the form of a block grant from the central government, leaving the Scottish Parliament to raise the remainder in national taxation.

All existing responsibilities of the Scottish Department of Agriculture and Fisheries should be devolved to the Parliament together with control of rents and the Housing Corporation. Planning and land use should also be devolved, with reservations for U.K. defence installations.

The Scottish Parliament should have two law Ministers, a Minister of Justice and a Lord Advocate responsible for prosecutions. Scotland should also have its own University Grants Committee.

The Speaker of the House of Commons, Mr. Mackintosh suggests, could appoint the Scottish Prime Minister and summon the Scottish Parliament, rather than the Secretary of State. Matters of vires should be settled by the courts, and no power of policy veto would be required as Westminster could resort to passing overriding legislation.

Scotland's Parliament, by John P. Mackintosh, Berwick and East Lothian Labour Party, 65, High Street, Tranent, East Lothian, 10p.

Royal trustees payment

PROVISION for the payment of £500,000 to the Royal trustees under the terms of the Civil List Act 1975 will be made in the estimates for 1976-77, Mr. Joel Barnett, Chief Secretary to the Treasury, told the Commons yesterday.

He made this known when rejecting a suggestion by Mr. William Hamilton (Lab., Central Fife), who has called for a reduction in the amount paid to Princess Margaret, that the annuity provisions in the current Civil List should be urgently reviewed.

Mr. Barnett added that the Chancellor of the Exchequer and his fellow trustees had not yet decided how the £500,000 should be distributed.

Skinner seeks privilege ruling on Felixstowe shares offer allegation

BY JOHN HUNT

AN ALLEGATION that European Ferries committed a breach of Parliamentary privilege by the terms of its offer to shareholders in Felixstowe Dock and Railway Company is being investigated by Mr. George Thomas, the Speaker.

Mr. Dennis Skinner, Left-wing Labour MP for Bolsover, made the allegation in the Commons yesterday following the second reading of the British Transport Docks (Felixstowe) Bill on Wednesday night.

This is a private measure which enables British Transport Docks Board to acquire the privately-owned Felixstowe Docks despite the subsequent higher counter-bid by European Ferries which has been accepted by over 80 cent. of the shareholders in the Dock Company.

Mr. Skinner said that European Ferries was offering an extra 15p a share for the Dock company stock in the event of the Bill being defeated. He claimed this meant that European Ferries were inducing MPs to vote in a certain way.

The Speaker will decide whether a prima facie case of breach of privilege has been made and, if so, whether to refer it to the Commons Committee on privileges. He is expected to give his ruling to-day.

During yesterday's exchanges, it was suggested that if any MP who held shares in Felixstowe Dock and Railway Company had voted in Wednesday's division, then his vote would be invalid. MPs recalled that a Member's vote had been invalidated on similar grounds in an 1825 division on the Leith Docks Bill.

However, it is understood that Tory MPs who turned out in large numbers to oppose the Bill were carefully warned by their Whips that those holding shares should not vote.

During the second reading debate, Mr. Keith Stainton (C, Sudbury and Woodbridge) declared a beneficial interest in 1,800 shares of the Dock Company and said that he had accepted the offer from European Ferries. The record shows that he did not vote in the division.

Document

Raising the matter in the House, Mr. Skinner said: "I would regard it as a breach of privilege in the sense that European Ferries were inducing MPs to vote in a certain way. It could be argued that if MPs had shares of their own, they could, in fact, benefit themselves.

He pointed out that the Bill still had to go through its remaining stages and could still fall. He reminded the Speaker that, in the past, privilege complaints had been made against trade union leaders on the grounds that they had possibly induced MPs to vote in a certain way.

There were sho[...] from the Labour [...] Skinner passed [...] European Ferries [...] ment to the Spe[...] "On this basis, I t[...] have a look at th[...] examine whether [...] privilege has bee[...] order to influenc[...] Parliament to vo[...] way."

Mr. Brian Se[...] Luton W.) declar[...] Conservative MPs [...] a direct interest [...] Company during [...] the division lis[...] believed, some of [...] some did not vo[...]

Mr. Thomas te[...] would be very da[...] Speaker to guid[...] their conduct in [...] lobbies.

The vote of th[...] had been disallo[...] was challenged [...] after the division [...] that there would [...] making a further [...] this particular po[...]

Mr. Thomas al[...] investigate a c[...] Mr. Robin Maxw[...] Tiverton) that th[...] breach of the C[...] ing Order which [...] proper Parliamen[...] commitments wh[...] in public expendi[...]

The Speaker pr[...] to this early next [...]

Docks zone challenge defe[...]

BY CHRISTIAN TYLER, LABOUR STAFF

THE GOVERNMENT yesterday survived the first important vote in committee on its controversial Bill to extend the dock labour scheme, when Conservative amendments seeking to cut back the proposed five-mille "cargo-handling zone" were defeated.

Absences on the Government side resulted in a 14-14 tie on three amendments and the chairman, as required, broke the tie in the Government's favour.

The chief of these amendments sought to bring back the zone to half a mile from the coastline, round dock areas, and either side of navigable waterways.

Later, the Opposition withdrew an amendment which would specifically exclude airport cargo work and markets from the dock labour scheme.

Mr. Albert Booth, Minister of State for Employment, said he had noted the "serious point" underlying Conservative objections, and would consider them. He refused to give a pledge that airports would be excluded, and was warned that the amendment would be reintroduced at a later stage.

Opposition speakers also claimed that the Dock Work Regulation Bill would cover air freighting of su[...] Sea oil rigs and [...] as to part of He[...]

Mr. Booth [...] presence inside [...] zone was not th[...] "dockwork" an[...] other tests had to [...]

● Fourteen ships [...] off the south Co[...] terday unable to [...] china clay ports [...] Par because of a [...] dockers seeking [...] piecework pay [...] ports handle chi[...] and the strike co[...] sive effects on the [...]

Prentice objects to 'bizarre' call for his resignation

BY PETER HENNESSY, LOBBY CORRESPONDENT

MR. REG PRENTICE, Minister for Overseas Development, yesterday described as "bizarre and preposterous" the decision taken on Wednesday night by the general management committee of his Newham NE constituency reaffirming their call for him to resign as MP and seeking permission from the Labour Party's national executive committee to select a new candidate.

He will be writing to the party's general secretary, Mr. Ron Hayward, claiming that the NEC should refuse its permission as no advance notice of Wednesday night's motion had been given and resolutions from three ward parties calling for his re-instatement as candidate were not debated.

The voting against Mr. Prentice was 34 to 23.

The Labour party's national agent, Mr. Reg Underhill, is already investigating a complaint by Mr. Prentice that six of the 85-strong general management committee, who represent the Socialist Educational Association, are without proper credentials.

Mr. Prentice yesterday welcomed the rejection by the NEC on Wednesday of a motion which would have permitted the re-selection of sitting Labour MPs by their constituency parties prior to a general election.

But, he added, it made illogical the NEC's earlier decision to reject his appeal against his constituency's move to oust him. On that occasion, the NEC had considered the issue not in political terms but in relation to the party's rule book.

Left-wing MPs will attempt to overturn the NEC's decision taken on Wednesday by stimulating constituency parties to submit resolutions to the annual conference in the autumn calling for re-selection of candidates between general elections.

Mr. Doug Hoyle, MP for Nelson and Colne, said yesterday: "This issue is vital to democracy in the party. If enough constituency parties take it up, it will be on the agenda at [...]

"I am sure tha[...] will win favour. [...] file want to be abl[...] in decisions taken [...] But the decision [...] executive was un[...]

Mr. Prentice be[...] NEC would now [...] decision not to per[...] and recommended [...] ference reject i[...] expect and hope [...] do so, as once [...] been elected he is [...] a candidate but a [...] by all the people."

Our views made cle[...] on Cuban forces—P[...]

MR. HAROLD WILSON, Prime Minister, said in the Commons yesterday that a "new and extremely serious" situation would arise if Cuban forces were to intervene in any other territory in southern Africa.

"This is something we have made clear to all concerned in recent weeks," he declared.

Drawing attention to Cuban forces still in Angola, Mr. Peter Blaker (C., Blackpool S.) said Dr. Castro had made a statement last week in which he implied that Cuba may have a role to play in ot[...] in southern Africa [...] important that [...] forces should be wi[...] asked.

Mr. Wilson said [...] Secretary (Mr. Ca[...] made clear, as he [...] views about inte[...] Angola. "If the Cu[...] intervene in any o[...] there would be [...] extremely serious [...] this is something w[...] clear to all concern[...] weeks."

LABOUR NEWS

ive unions chosen for ory aid to moderates

)UR LABOUR STAFF

RVATIVE Party officials anned an extended cam- help moderates win elec- important trade union candidates for election in jor unions have already srutinised and circulars ng sent out in spite of nts from union leaders of inted interference in ternal affairs.

nitiative for the campaign from the Conservative nion department at Party rters. It has the content James Prior, shadow ment Secretary.

rior recently launched a onservative attempt to alliance with the trade union movements and patch up differences resulting from the Tories' unpopular Industrial Relations Act of 1971.

The full extent of the campaign emerged yesterday. Unions that have been singled out for attention by Central Office include the Electrical and Plumbing Trades Union, the Amalgamated Union of Engineering Workers, the Civil and Public Services Association, the Association of Scientific, Technical and Managerial Staff, and the National and Local Government Officers's Association.

Mr. John Bowis, national organiser of the department, said yesterday that publishing lists of moderate candidates might counter-balance the effect of the support publicly canvassed by militants.

The campaign follows much recent publicity which drew attention to moderate and left-wing candidates, notably in the AUEW.

Last night Mr. Len Edmondson, an executive member of the AUEW, said: "As an executive we have always deplored any outside interference — including from the national Press." But he added it was difficult to know how to prevent it.

The union had once complained to the Press Council about newspaper election stories, but had got little satisfaction. It would be up to the executive to consider whether to take any action on the Conservatives' canvassing.

hite-collar talks to be resumed

)UR LABOUR STAFF

Y MOVE to determine s of influence" between ite-collar unions in the l sector has come from ional Union of Bank Em- which has agreed to talks with the Associa- Scientific, Technical and rial Staffs.

talks follow a meeting this month between the secretaries of both under the chairmanship en Murray, TUC general y.

next round of talks, also the auspices of the TUC, aimed at working out areas of agreement be- the two unions.

discussions revolve around the Midland Bank where both NUBE and ASTMS have substantial membership and have been sparring for some time to recruit the remaining staff.

NUBE is believed to be prepared to offer to stop recruiting new members in the insurance sector, if ASTMS gives NUBE a free hand in banking.

Similar talks are to be held between NUBE and the Association of Professional, Executive, Clerical and Computer Staff early next month.

Meanwhile, a £6 pay claim on behalf of some 12,000 Trustee Savings Bank staff will be lodged early next week following an agreement between NUBE and the TSB management on an interim cost of living claim.

The TSB has given NUBE a "statement of intent" that it will examine the differentials between TSB and clearing bank staff as soon as pay restrictions are lifted.

NUBE claims that its members in TSB branches should have had an extra 12.1 per cent. rise, calculated on the rise in the Retail Price Index between last May's annual settlement of between 22 per cent. and 36 per cent., and August 1, when the Government's pay policy began operating.

This claim was originally rejected by the TSB and was to have been taken to arbitration but informal talks between the two sides produced the compromise agreement to review the situation when pay policy allows. It enables NUBE to go ahead with its £6 claim to be implemented from the end of May.

onnet shouted down

GATES SHOUTED down lex Donnet, president of General and Municipal rs Union yesterday, he defended the Govern- public spending cuts at gow meeting.

protests went on in of repeated pleas for from the chairman.

meeting had been called Scottish TUC to discuss ts, and the 300 delegates represented white and public service rs.

Donnet said the cuts modest and necessary. must stop the ritual con- ition of Denis Healey and understand the limita- under which he is ing.

e TUC, for example, is appy about the situation, lealey is not happy him- he added.

Donnet persisted with his speech, saying: "We must devote more of our energies to creating wealth before we begin to talk about spending it." Spending in some areas had actually increased, and the message to the Chancellor and his colleagues should be one of "comradeship and confidence."

The delegates gave a more enthusiastic reception to an earlier speaker, Mr. Charles Drury, Scottish officer of the National and Local Government Officers Association. He said the cuts policy was a recipe for the "ruination" of the fabric of society.

"We must dispel the myth that our problems are to be solved by switching our resources from the public to the private sector."

Speaker after speaker — representatives of teachers, civil servants, railwaymen and other public employees — attacked the cuts, to loud applause.

EC row over equal pay

)UR LABOUR STAFF

JAL PAY dispute involv- women threatens to dis- oduction at a GEC sub- at Aldridge, near ham.

ding to the technical and ory section (TASS) of nalgamated Union of ring Workers, male at the plant receive a m wage of £38.50 against rage for women clerks, be doing comparable £31.50.

while, the General and al Workers' Union that one of its members ome the first woman to equal pay decision at an al tribunal.

Valerie Perry of Tam- Staffordshire, took her employers to the tribunal for introducing a two-tier piece-work system that she said favoured the male workers doing the same work. The tribunal ordered the company to abolish the system.

The GMWU also published yesterday a new booklet giving a practical guide for union negotiators on how to achieve equal pay and opportunities for women workers under present legislation.

Entitled "Equality at Work—the Way Forward" the booklet establishes the GMWU aim of complete equality at work for its members as well as issuing a call for more women to become involved in running the union and representing colleagues at work.

gal aid plea parents

me Secretary is being by the British Legal ion to provide legal aid nts trying to stop their being taken into institu- are.

association says that at a mother fills up a legal for the child in the mis- lief that this will give her fit of legal representation. posite is the case: the is there acting in the of the child only.

association wants im- implementation of the of the Children's Act not orce which would permit l for the parent.

114 miles added to motorways in 12 months

By James McDonald

BRITAIN NOW has 1,312 miles of inter-urban trunk motorways in use, of which 114 miles were opened to traffic during the past 12 months, says the British Road Federation.

In its progress report covering the motorways and other strategic trunk routes in England, Scotland and Wales and the present position of motorways in use and under construction, the Federation emphasises that in the public expenditure White Paper published last month the road programme was cut for the sixth time since mid-1973.

NUM pay restraint to be challenged

BY CHRISTIAN TYLER, LABOUR STAFF

BATTLE LINES for one of the most important union conferences of the summer have been drawn up with publication yesterday of the National Union of Mineworkers' conference agenda.

Only a few weeks before the present £6 pay policy expires on August 1, the NUM will be debating calls for abandonment of pay restraint and for payment this autumn of rises of up to £33 a week.

Smooth transition to the second round of pay restraint could depend crucially on the success of the NUM's moderate president, Mr. Joe Gormley, and his supporters in heading off the pay challenge from the militant Scottish, Yorkshire and South Wales coalfields.

The miners only recently settled for a £6 pay rise following last year's tangled conference decision to press for rises bringing the faceworker up to £100 a week, but only as a "target."

Last week-end Mr. Gormley attacked as "irresponsible" demands by some areas, included in the agenda, for a challenge to the pay policy to be backed with threats of industrial action.

The main onslaught on the pay policy itself comes from the Scottish area, which wants an immediate return to free collective bargaining.

On pay, the demands for £100 a week from November 1 this year—well within the life of the current agreement—will come from the South Wales and Yorkshire delegations to the conference, which is to be held in the Isle of Man at the beginning of July.

The Scottish area is also opposing the Government's White Paper on public expenditure.

The recent decision by NUM leaders to call a national overtime ban over the closure of a Derbyshire colliery—a decision quickly reversed—will also be the subject of debate, with a resolution calling for a national ballot before overtime bans are called in future.

Another resolution asks for consultation with the members by the national executive to prevent pit closures which are not due to the exhaustion of reserves.

Nottinghamshire and Yorkshire are to press last year's resolution for the retirement age to be lowered to 60.

New Ford union move may save negotiating body

BY OUR LABOUR STAFF

UNION LEADERS at Ford Motor yesterday produced new proposals which could prevent a threatened split in the company's national bargaining committee.

Talks at Transport House were continuing last night on a plan aimed at satisfying long-standing grievances of skilled men, who say they are not sufficiently represented at the bargaining table and have seen their pay differentials with lower-paid production workers eroded over recent years.

The plan is to expand the national joint negotiating committee to give more seats to lay delegates (at present outnumbered about two-to-one by union officials) and making room for skilled men's representatives on the committee.

Senior union officials are anxious to avoid a split, which they believe could lead to leap-frogging pay claims

Fresh attacks on TUC plans for worker participation

BY JOHN ELLIOTT, MANAGEMENT EDITOR

THE TUC'S worker-director proposals came under a fresh attack yesterday from two leading employers' and managers' organisations, and from a major engineering company, when all three submitted evidence to the Bullock Inquiry calling for companies to be left to work out their own methods of worker participation.

The two organisations, the Engineering Employers' Federation and the British Institute of Management, both accepted that there could be legislation, possibly involving a Code of Practice, introducing "participation agreements" between companies and their employees.

The engineering company, the GKN Group, called in its evidence for participation to be developed through "employee councils," although it added a rider that if worker-directors were to be introduced, they should take up only one-third of the seats of a supervisory board in a two-tier structure.

These submissions to the Bullock Inquiry, which is looking into industrial democracy in the private sector with a bias towards the TUC's proposals, bring the number of organisations which have submitted written evidence to about 150.

The inquiry intends to continue receiving written evidence till Easter. It will shortly decide whether then to take oral evidence in public, and so far seems inclined not to.

Other employers' organisations finalising evidence for the inquiry include the National Federation of Building Trades Employers and the Federation of Civil Engineering Contractors.

Both these are arguing for the construction industry, with its mobile labour force and relatively short-term contracts, to be given special treatment.

The Civil Engineering Contractors suggest that there should be some form of temporary participation strictly limited to the affairs of one particular site for most workers, while there could be other arrangements based on head or regional offices for longer-service employees. It also calls for the measures to be introduced through a Code of Practice rather than legislation.

The NFBTE follows a somewhat similar course, and is likely to say that arrangements should vary from small to large building sites and that there should be minimum-service qualifications for those involved.

Both these organisations have paid considerable attention to the CBI's evidence to the inquiry when framing their views, as have the EEF and the BIM.

There is a common thread running through all these organisations' suggestions—as well as those from GKN. This opposes trade union-based worker directors on the TUC model, and advocates instead that companies be given a period to develop participation agreements and councils, involving all their employees and not just trade unionists.

Agreements call

The EEF suggests a framework of law requiring companies with more than 1,000 employees to conclude "agreements on employee participation practice" within three years. This compares with a 2,000 minimum and four years proposed by the CBI.

But the EEF also proposes that where an agreement is not concluded and endorsed by the employees involved the Advisory Conciliation and Arbitration Service should help set up a joint consultative council.

In its evidence GKN says it is "firmly committed by Board decision to arrangements for participation which will enable a significant number of employees to contribute to the making of those decisions which directly affect them." This is a reference to a policy decision taken by the company in 1974 to develop employee councils in the group.

"Fully representative employee councils are a far more realistic method of achieving industrial democracy than Board representation," says GKN. It points to what it calls "the formidable problem of manpower requirements and man-hours involved, if additions to the 579 directors serving on 153 GKN Boards in the U.K. had to be made or if all group companies were required to have a supervisory Board."

However, facing up to the fact that some form of worker-directors might be introduced by law, GKN goes on to say that there should be only two worker representatives on a Board in a unitary system and only one-third of the total on a supervisory Board in a two-tier structure. The other two-thirds of the Boards' seats would go to representatives of shareholders and management.

The BIM takes a similar approach, of two worker directors on unitary Boards, and is in line with the EEF in suggesting a three-year run-in period with ACAS back-up. But it wants only a Code of Practice to enforce participation agreements.

Ambulance row spreads

LONDON'S ambulance service faces "chaos" by Monday unless a ten-month-old pay-grading dispute is solved, the National and Local Government Officers Association warned yesterday.

Nearly 300 ambulance officers in the capital intend to extend their overtime ban and work to rule from to-day in a bid to persuade the Government to begin talks aimed at ending the deadlock.

The Property Market

BY QUENTIN GUIRDHAM

Hanover St. George's £10m. sale to L & G fund

THE IMPACT of the tax exempt property funds/unit trusts is beginning to show through. This follows a rather startling peak in pensions investment through such funds in the second quarter of last year, money which is only now being fully utilised.

The Bank of England Bulletin's figures show the extent to which the fund managers all regained faith in property at the same time. The quarterly net investment record by pension funds (and a bit from charities) in property unit trusts for 1975 reads like this: £13.1m., £43.8m., £15.2m. and £16.5m. The other half of the story is that most of this, inevitably, had to go on the money market for a long time, with the quarterly acquisition of property by the funds picking up slowly from £2m. to £5.4m. to £10.1m. to £16.3m.

There are still some problems among smaller trusts stemming either from development commitments or simply from a loss of confidence during the period of net redemptions (the Bank's figures show this as the first two quarters of 1974). Even many of the bigger trusts had to widen the bid/offer spread to prohibitive levels at the times.

But normality has now returned, and the biggest in the field, the Legal and General Assurance (Pensions Management) fund has produced one of the biggest investment deals of the year. It is paying £6m. now, with another around £3.9m. to come, for the Pennine Centre, Sheffield, developed by Hanover St. George Securities.

The L and G fund is a relatively newcomer, dating from 1971, and is often not considered in the same light as the older unit trusts, led by the Pension Fund Property Unit Trust stable. In practice, though sold in the form of an insurance policy, the attractions to the pension fund manager are much the same bar the important distinction that income is accumulated and not distributed.

The L and G policy now is to make its size tell, going for the larger purchases where competition is less fierce. Whether PFPUT (the two, incidentally, share the accolade of getting some of the Bank of England's staff pension fund business) follows the L and G line will be interesting, particularly as it was nearly a quarter liquid at its March unit offer. But for the moment the L and G fund has the bigger single holdings, with the Sheffield acquisition roughly equalling the size of its stake in the Commercial Union headquarters.

The initial payment on the Pennine acquisition is for the 154,000 square feet, in two interconnecting buildings, let last year to Midland Bank at £454,000 a year. There is a 34-year lease with reviews every five years for the first 25 years and then every three years.

That was a significant letting, for the rising popularity of Sheffield as an office centre as well as for Leslie Brown's private Hanover St George Group. Now, with Jones Lang Wootton advising, he has made a fairly swift sale, though the balance of the around £10m. is held as a forward commitment until the rest of the centre is let.

The remaining space is 96,000 square feet, in three connected blocks and Brown says he is trying to up the rent to around £4 per square foot. Work will finish on these in July. Letting agents are JLW and Eadon Lockwood and Riddle.

Hanover St George will plough some of its money back into another Sheffield scheme, a 50,000 square feet building in Church Street. But it is also continuing with its original speciality, industrial development. It has just started work on a five acre freehold site at Watling Street, Bletchley. The scheme is a 102,000 square feet warehouse with a two-storey, 5,000 square feet office block. Completion is due early next year.

Mackenzie Hill in Brazil

The private Mackenzie Hill group has issued a statement about its Brazilian activities, putting a value on its development programme there of £40m. (some of this in joint companies). Despite different techniques, Brian Busson, who now heads a staff of 30 in Sao Paulo and Rio de Janeiro, says the country, "offers a real and profitable alternative to investment in the European and North American markets in the present world economic climate."

This news comes a fortnight after an announcement by Berkeley Hambro Property and Bishopsgate Property and General Investments that the two *were buying out Mackenzie Hill's* half share in a Dutch holding company, which controlled joint developments in France and Germany, for a nominal sum. Basically, these companies were financed locally, but with Berkeley Hambro and Bishopsgate putting up the "front end." It is on the German side that the programmes will take longest to complete, with a 70,000 square feet Dusseldorf office due the end of this year, but two large (300,000 square feet is planned on each) sites in Dusseldorf and Stuttgart not yet started on.

This retreat still leaves Mackenzie Hill with plenty of other European holdings, both joint and sole, but the Berkeley-Bishopsgate deal also included MH's being bought out by Berkeley in Hong Kong. The two had had equal shares in Swire Properties which is redeveloping 50 acres of Swire's territory in the main dockland area. Berkeley has now increased its stake to 8 per cent. in Swire Properties, but in this case it had to buy out Mackenzie Hill with something more than a nominal sum, the equivalent of £373,445.

In Brazil, Mackenzie Hill has completed two projects after three years in the country. The first was a 12,000 square metre industrial development in Sao Paulo. This was solely MH's project and was sold on completion to a Brazilian manufacturing company.

The second, again in Sao Paulo, is a large—25-storey, 32,000 square metre—office block, completed this month. Mackenzie Hill seems reticent about naming partners in its Brazilian joint ventures, but the other half here is Shell, through one of its Brazilian subsidiaries. The country is one of the oil group's major expansion territories, and Shell Petroleum is a tenant of the new building, along with ICI, Arthur Andersen and Company and others. The remaining two floors are under negotiation.

In Rio de Janeiro, Mackenzie Hill have two joint ventures, a 15,000 square metre office under construction and another giant, a 50,000 square metre office building now out to tender and part pre-let. In Sao Paulo it has a shopping centre scheme of 20,000 square metres, a sole venture at this stage, and there are some other smaller schemes in Belo Horizonte and Porto Alegre through joint venture companies or in a management capacity for clients.

There is some growing interest in Brazil from British contractors and developers, though how much of it translates into action on the scale Mackenzie Hill has achieved is problematic. While giving these details, the company was also keen to stress that it has not halted its British activities, with nine industrial estates here including a new one, at Fareham, on which work starts this year. How the group has weathered the storms financially will be clearer when accounts are completed shortly.

OUT AND ABOUT

● Kuwait Airways is moving along Piccadilly, taking 5,000 square feet on the basement, ground and first floors of Colette House, the development at Nos. 52-55 which is distinctive for its brown finish and has been picking up architectural plaudits from Westminster City Council. The asking rent for this section was £75,000 and apparently the agreed sum is close to it. There is another 4,000 square feet of offices remaining and four flats. Agents are Edward Erdman.

● John E. Porter, an agricultural specialist and partner of Walker Walton Hanson, has been installed as President of the Incorporated Society of Valuers and Auctioneers. He kicked off by saying that the involvement of central government in housing had perhaps been the greatest single factor in creating a housing shortage. On planning, Porter said: "It is an inescapable fact that planning is becoming the most expensive negative function undertaken by local government. Planners regard every application which comes before them as being one which has to be examined with a view to finding any conceivable reason for its refusal."

● Ravenseft Industrial Estates has let the second phase of its large Western Avenue, London development. The first phase on the nine-acre site, with a total of 136,000 square feet, was taken by Watney Mann as a distribution depot. The second phase of 72,000 square feet, including 12,800 square feet of offices, has gone to French chemical company Roussel Laboratories as its principal distribution depot. Letting agents for Ravenseft, the Land Securities subsidiary, were Knight Frank and Rutley and King and Co.

● The Property Services Agency has taken the 28,000 square feet of offices in Broadmarsh Shopping Centre, Nottingham, for the Department of the Environment. Rent is around £40,000 a year. Healey and Baker and Hallam Brackett did the letting. That leaves just one shop unit unlet in the 83 shops, eight store development by Town and City in conjunction with Nottingham Corporation which was completed last summer.

● Two store deals where Healey and Baker acted for the vendor: Selfridges has sold its freehold store, with 100 foot frontage and 55,000 square feet of net useable space in High Road, Ilford for Boots, which will be re-opening it next year. And J. Sainsbury has sold its former Parliament Street, Nottingham store, now let to Greater Nottingham Co-operative Society at £40,000 a year, to a pension fund represented by Pepper, Angliss and Yarwood, for £475,000.

● Anglia Commercial Properties, now a subsidiary of Industrial and Commercial Finance Corporation, has let the first phase of its industrial and warehouse development at Anglia Way, Mansfield. The units have gone, over a 15-month period, at rents between 65p and 95p a square foot. Tenants include Tesco, Direct Mail and Packaging, Solitax, Oriel Foods, Morting International and Securicor. Another seven acres remain to be developed. Joint sole agents are Walker Walton Hanson and Cavanagh and Co.

● Thorn Electrical Industries' move to a new 120,000-square-feet warehouse at Enfield put two of their other Enfield warehouses on the market through Chamberlain and Willows. One, of 45,000 square feet at Ponders End Industrial Estate, has now been taken by British Commercial Transport. Thorn assigned a 21-year lease from 1972, currently at £32,000 a year with seven-year reviews, and got a premium which included fixtures and fittings. The other unit, off Gt. Cambridge Road, is 63,000 square feet.

● Under its Rent Rebate marketing effort, Fairview Estates has let a 10,000 square feet industrial unit at Lancaster Road, Enfield to Angel Knit—a subsidiary of Nova Knit (Jersey)—at an average rent of £1.20 per square foot over the first five years. Mendoza and Henry Butcher acted for Fairview.

● South of Scotland Electricity Board Pension Fund is starting to refurbish the seven early 19th century buildings it bought in St. Vincent Street, Glasgow (the block is Nos. 206/228). When finished in late 1977, this will produce 61,150 square feet of offices in suites from 750 square feet upwards. Advisers and letting agents are Richard Ellis.

● Another Amalgamated Investment and Property sale: the former Durasteel Works at Oldfield Lane, Greenford, has been bought by Beadle Property Holdings. Development will provide 37,500 square feet of factory and warehousing. Brian Cooper and Co. acted for Beadle, Leavers for AIP and the two are joint letting agents.

● Sir William Halcrow and Partners has taken 25,550 square feet of Princes House, Swindon. Asking rent on the remaining 26,000 square feet is £104,000. Letting agents are Richard Ellis, Hillier Parker, and Loveday and Loveday. Kemp and Hawley acted for Halcrow.

● The Felixstowe Dock fracas can only prove a bonus, says British Anzani, on the reasoning that public or private enterprise will be more committed to the port's expansion. Anzani has let over 600,000 square feet of warehousing there, has a 135,000 square feet unit available and has just got its first tenant, Fred Olsen, for its 140,000 square feet office block. The idea is to let in 2,000 to 5,000 square feet units at around £3.50 per square foot.

● Prudential Assurance has acquired 41/42 High Street, Exeter, one of the oldest buildings in the city centre and with a 30ft. frontage. The price was well over £200,000. Hillier Parker acted for the Prudential and have let the property to Star Jeans; Richard Ellis acted for the vendors.

● Norwich Union France has bought a 1,200 sq. m. office and showroom in Avenue de Messine, Paris 8eme, from National Developments SA, a First National Finance Corporation subsidiary. Richard Ellis acted for FNFC and are agents for the 900 sq. m. unlet.

● Following planning consent for a £50m. ammonia plant near Peterhead, north of Aberdeen, IDC Property Investments are to develop a 125 acre industrial estate close by.

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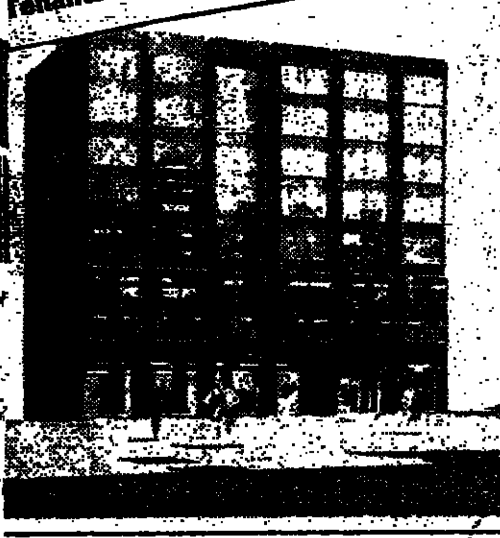

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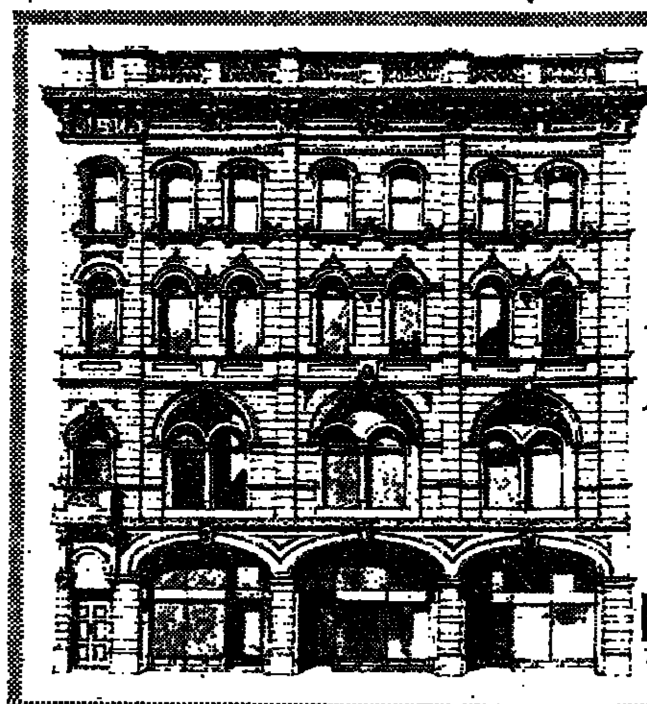

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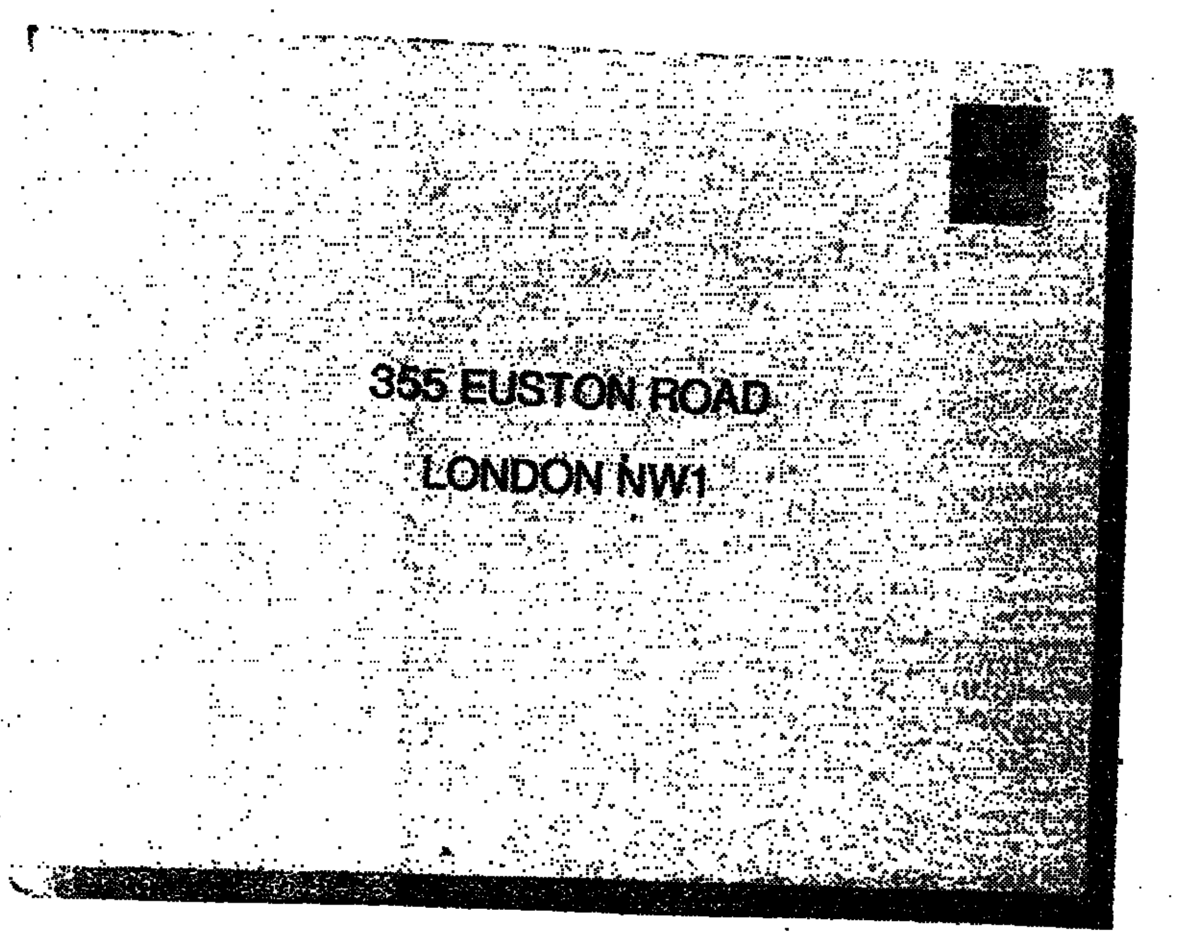

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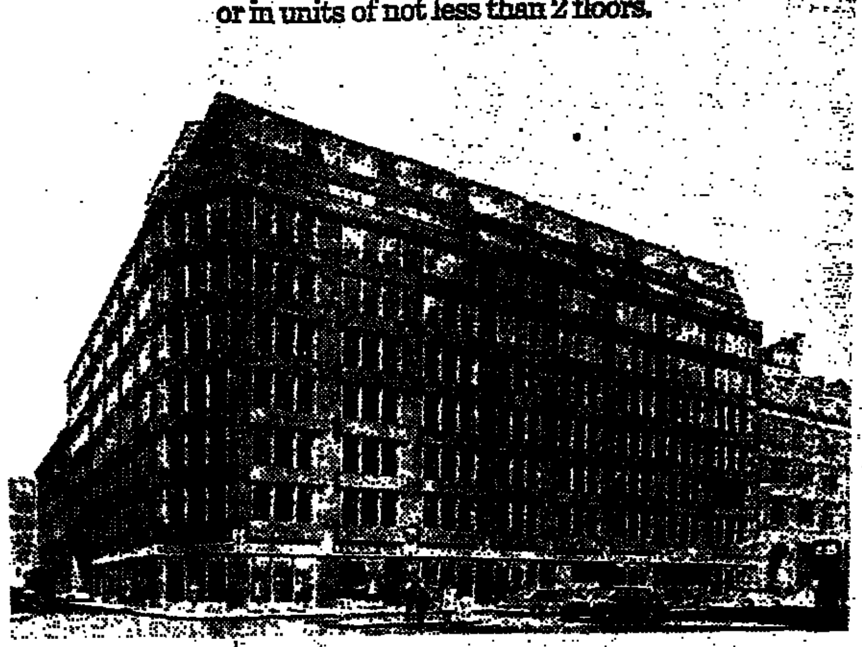

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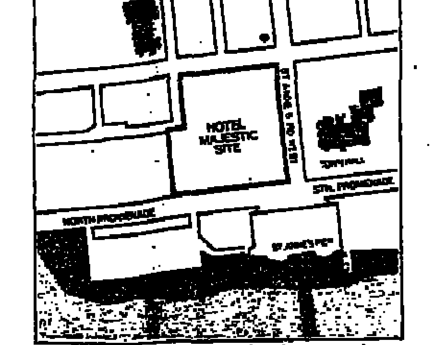

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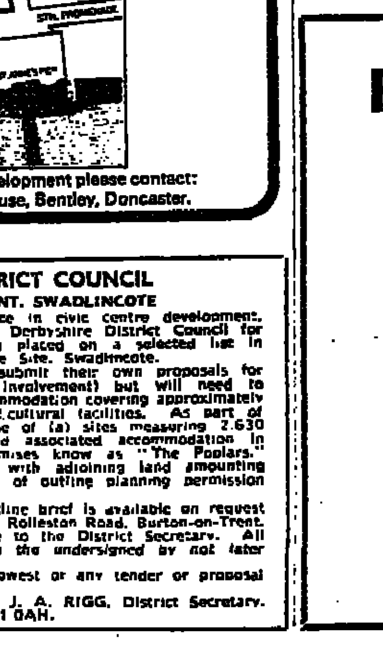

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Further information in the form of an outline brief is available on request from the Chief Technical Officer, "The Poplars," Rolleston Road, Burton-on-Trent. Arrangements to view the sites may be made to the District Secretary. All applications must be submitted in writing to the undersigned by not later than noon on 9th April, 1976.

The Council is not bound to accept the lowest or any tender or proposal in connection with this matter.

J. A. RIGG, District Secretary.
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Major international companies growing with Tayside include:
Halliburton (U.S.)–the leading offshore engineering company.
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Each of these companies chose Tayside for three sound reasons: (1) Dependable labour. (2) Local cash benefits. (3) Market access.

If you'd like to know more about Tayside, ring or write:
J. S. Gorie, Development Officer, Tayside Regional Council, ...s Loan, Dundee.
Telephone Dundee 23281

Details on individual developments from:

PERTH
Inveralmand Estate:
65 acres;
Lease £500 per acre p.a.
Contact:
Chief Executive
Tel. Perth 24241

DUNDEE
Sites from ½ acre-80 acres.
Advance Factories from 3,000-56,000 sq. ft.
Contact:
Councillor Jack Martin (Responsible for Industrial Development)
Tel. Dundee 23141 Ext. 428

...BETT
...its from 2,950 sq. ft.
Dundee, Carnoustie and Kinross—immediate entry.
Contact:
Derek Rennie ARICS
Tel. Dundee 84191

MONTROSE
Sea Oil Services Limited (the P & O Group) offers 40 acres comprehensive offshore support base for North Sea development.
Contact:
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Tel. Montrose 2729
telex 76407

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A most attractive, FULLY MODERNISED Office Building, with Banking Hall

approx 7,900 sq.ft.

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WAREHOUSES TO LET

! IMMEDIATE POSSESSION !

40,000 Ft^2 or Units

PCP Joint Sole Letting Agents
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FIRST YEAR'S RENT £1 PER SQ.FT.

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Excellent Office Building To Let

approx **7,800** sq.ft
(Will divide)
Opposite Station
Immediate Occupation
apply sole agents

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Restored Period Office Building close Town Centre
3,250 sq. ft. approx.
FOR SALE OR TO LET
Apply:—
GEERING & COLYER,
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9 Offices in Kent and Sussex

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Warehouse & Distribution Depot
23,000 sq. ft. on 3.9 acres
For Sale or To Be Let

Chamberlain & Willows
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Fully Restored & Modernised
Georgian Office Building
To Let 3560 sq. ft.

Gibbon+Rogers
Chartered Surveyors
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TOTTENHAM COURT ROAD
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SUPERBLY FITTED OFFICES
3,400 sq. ft.
Partitioned to high standard into twelve offices including Boardroom.
Rent £29,000 per annum.
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Let to 10 Branch Multiple. New F.R.+I. Lease
Price £40,000 REF: PGL/AG.

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Consultant Surveyors & Valuers
CONRAD RITBLAT & COMPANY,
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WEST EALING BROADWAY
Prime Reversionary Shop Investment. Let to National Multiple. Reversion 1982. For Sale.

WEST MIDDLESEX
Excellent Commercial Investment. Income £36,500 p.a. from extensive modern premises on 1½ Acre site, recently let as Retail Supermarket on 20 year Lease (5-year Reviews). Fully Guaranteed by a very Substantial Company. For Sale.

SOUTHALL BROADWAY
Four Shops in Prime Position (and upper Parts) plus Warehouse at Rear. All let and producing £10,600 p.a. exclusive. Early Reversions. For Sale.

FARR BEDFORD
41, The Broadway, W.5.
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MODERN FREEHOLD
COMMERCIAL INVESTMENT
Securely Let
PRODUCING £8,725 P.A.
Substantial reversion
Brentwood Essex
EDWARD SYMMONS & PARTNERS
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FREEHOLD INVESTMENT for Sale just off Leicester Square in the heart of London's Chinatown. Supermarket business premises let to sound tenants on long lease with five year rent reviews. Present rent £15,000 p.a. Price £187,500 to yield 8%. BRECKER GROSSMITH & CO., 63, Wigmore Street, W1H 0BQ. 01-486 3531, Ext. 10

WANTED

INVESTOR WITH FUNDS available seeks property as long-term investment. Midlands and South of England preferred. Principals only write Box T.4292. Financial Times, 10, Cannon Street, EC4P 4BY.

WANTED HIGH YIELDING industrial commercial properties up to £300,000. Details to Secretary, Southend Stadium, Stadium Road, Southend-on-Sea.

FACTORIES AND WAREHOUSES

CHERTSEY SURREY
2 x 6,000 sq. ft.
Warehouse/L.I. Units
TO LET
MELLERSH & HARDING
Chartered Surveyors
43 ST. JAMES'S PLACE, S.W.1.
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HACKNEY, E.8. 4,000 sq. ft. Single storey warehouse and offices. Main road frontage. Large yard for loading and parking. Rent £7,000 p.a. DONALDSONS, 17, Dalston Lane, E8 3DF. 01-254 1281.

NOTTINGHAM (South). S-S Factory of 68,000 sq. ft. on 5.5 acres for £34,000 p.a. (might divide). CAVANAGH & CO., 92, Friar Lane, Nottingham. (0602) 40747.

SOHAM, CAMBS. 19,500 sq. ft. Recently built single storey factory with 2 storey front block, within 7 miles of A11. Freehold £110,000; Might let. DONALDSONS, 17 Dalston Lane, E8 3DF. 01-254 1281.

WALLINGTON (Nr. Croydon). Modern light industrial premises approx. 3,500 sq. ft. floor area arranged on 2 floors in convenient location. Lease for 7 years immediate occupation. BRANT, HEWITT & CO., Tel. 01-643 2241.

SHOPS AND OFFICES

AMERSHAM. — Modern, self-contained office building. 1,300 sq. ft., two floors (ground and first), central situation close to station and adjoining main shopping area. Details: SMITH & COMPANY, tel. High Wycombe 35571.

AYLESBURY. 750/1,500 sq. ft. new self-contained office suites to let in centre of town. Prestige building with attractive entrance, lift, c.h. Full details apply SMITH & COMPANY, Chartered Surveyors, 3 Easton Street, High Wycombe Bucks. Tel. 35571.

BRISTOL. CLIFTON, 88, Queen's Rd. Friese Green, Inventors shop. £10,000. Constable, 1, Harley Place, Bristol, 8. 0272 34563.

GLENTWORTH STREET, N.W.1. Excellent studio premises. £1,200 sq. ft. on ground floor. Rent £3,650 p.a. Lease 6 years. Offers invited. Apply MENDOZA, 01-935 8341 (Ref. LMM).

HALESOWEN—New offices to let or freehold may be available. Write Box T.4297, Financial Times, 10, Cannon Street, EC4P 4BY.

HAMPSHIRE. An Accountancy/Professional College near Andover. A prestige mansion in 25 acre park approved for 70 to 120 students. For Sale (Finance available) Or Lease approximately 75p per square foot per annum. Apply MAURICE BEALE & PARTNERS, 5, City Road, Winchester. Telephone 62038.

LEASEHOLD SHOP, 16' frontage, residential accommodation over, basement storage. 01-229 0661.

POWIS TERRACE, W.11. S/C warehouse and office. 2,500 sq. ft. Lease 5 years. Rent £2,500 p.a. ex. Premium £2,500. Apply MENDOZA, 01-935 8341, (Ref. NG.)

PRESTIGE OFFICES, LONDON SUBURB. Small and medium office units, 14th floor, modern office block. 400 to 5,000 sq. ft., with or without partitioning. Opposite Underground. Thirty minutes Central London and Heathrow. High speed lifts. Excellent vista. Seven-year lease with review. £5.00 psf. Rates and services approx. £2 psf. Mr. Morrissey. Tel. 01-540 3987.

WANDSWORTH, S.W.18. New prestige offices comprising 2,100/4,200 sq. ft. Full central heating. Immediately available. Commencing rental £1.50 per sq. ft. Apply: HERRING, SON & DAW, 26/28, Sackville Street, London, W1X 2QL. (01-734 8155.)

WINDSOR—adjacent to Castle and close main line station and communications. M4 and London Heathrow Airport new office building 2,500/5,000 sq. ft. immediately available. All main services, lift and carpeting. Apply joint sole agents Robin Green & Company, 2 Curfew Yard, Windsor. Tel.: WINDSOR 55559 or A. C. Frost & Co., 3 High Street, Windsor. Tel.: WINDSOR 54555

BUSINESSES FOR SALE

OLD ESTABLISHED
COIL STEEL PROCESSORS STEEL STOCKHOLDERS
Engaged in decoiling guillotining and profiling of coiled steel, stockholding of plate and sheet steel, iron, engineering and general supplies. Valuable freehold property, modern plant and machinery, established goodwill. T/O £2m. approx.
Principals only Write Box E.7682, Financial Times, 10, Cannon Street, EC4P 4BY.

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CHAIN OF FIVE FREE OFF-LICENCES
All shop units in good trading positions with long leases. Fully fixtured and fitted. Offers invited in the region of £52,000 for the benefit of leases and goodwill, or might sell separately.
BOWHALL ESTATES LTD.,
46, UPPER BERKELEY STREET, LONDON, W.1.
01-262-2794

Old Established
STRUCTURAL ENGINEERS
Fully equipped Modern Works, South Wales
95,000 sq. ft.
With excellent Fabrication Shops and Overhead Craneage. Design and other Offices.
Further Works 30,000 sq. ft.
Good labour force.
Sales £2.1m.
Early Sale Desired.
Write Box E.7681, Financial Times,
10, Cannon Street, EC4P 4BY.

COMMON MARKET COSMETICS BUSINESS
for sale for family reasons.
Very active private label own factory. Registered with FDA. Working for leading brands—Germany, France, etc.
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CIVIL ENGINEERING
COMPANY
Medium sized—No bank overdrafts or outstanding H.P. commitments. Healthy net current assets position. Turnover in last three financial years between £600,000 and £750,000.
Write Box E.7657, Financial Times, 10, Cannon Street, EC4P 4BY.

TRADITIONAL JOBBING FOUNDRY
FERROUS AND NON-FERROUS
Situated East Lancashire. Well established, with wide customer base and skilled workforce.
Revision of group plans necessitates disposal despite substantial plant investment during past year.
Current sales in excess of £300,000 p.a.
Write Box E.7675, Financial Times, 10, Cannon Street, EC4P 4BY.

GENERAL PURPOSE JOBBING GREY IRON FOUNDRY FOR SALE
40/50 tons per week capacity—handling up to 5 tons
LOCATION: N.W.
Apply, principals only please
Write Box E.7670, Financial Times, 10, Cannon Street, EC4P 4BY.

SECRETARIAL EMPLOYMENT AGENCY
FOR SALE
3 Shop-Fronts in Surrey
Write Box E.7684, Financial Times, 10, Cannon Street, EC4P 4BY.

FOR SALE
LLOYD'S INSURANCE BROKERS
Medium sized expanding company seeks increased development through Partnership with large International Company seeking Lloyd's representation. Equity available.
Principals only in strict confidence to:
Box E.7674, Financial Times, 10, Cannon Street, EC4P 4BY.

PRIVATE LIMITED COMPANY YORKSHIRE
Wholesale Tea and Coffee Importers and Merchants. Established over 100 years. Total holding for sale or takeover owing to illness of Principal.
Write Box E.7658, Financial Times, 10, Cannon Street, EC4P 4BY.

HARDCORE BUSINESS FOR SALE
Situated in mid-Cornwall—a profitable business established for 21 years. Sale can include all plant and equipment, leases, etc. Turnover about £70,000.
Principals only write:
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FOR SALE
Small rental company, well established, trading very profitably. London area — a real Blue Chip — annual rental income exceeding £80,000 (mainly colour) or sale as going concern. Substantial principals only. Write Box E.7672, Financial Times, 10, Cannon Street, EC4P 4BY.

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FOR SALE
incorporating 14 year lease (3,800 sq. ft. Rent 65p per square foot), and modern equipment. Location S.W. Essex.
Write Box E.7669, Financial Times, 10, Cannon Street, EC4P 4BY.

TWO STAFF BUREAUX
FOR SALE
CENTRAL AND SOUTH LONDON
Nominal Price.
Write Box E.7593, Financial Times, 10, Cannon Street, EC4P 4BY.

SPECIALIST PRINTING BUSINESS IN NORTH OF ENGLAND FOR SALE
following the death of the principal shareholder. Trade £600,000. Controlling interest or possibly entire holding available.
Write Box E.7630, Financial Times, 10, Cannon Street, EC4P 4BY.

ESTABLISHED SERVICE BUSINESS FOR SALE
Successful franchised service company in the work contracting field operating in Staffordshire. Established 10 years. Current net returns in excess of £20,000 p.a. Accounts available for genuine enquiries. Vendor returning overseas.
Call GERARD FERGUS AT STOKE-ON-TRENT (0782) 29798

Established
Garden Machinery Business
OXFORD AREA
Valuable distributorships & agencies. Regular & reliable customers accounts. T/O £55,000 — FOR SALE as a going concern to include good freehold premises.
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34, King's Rd., Reading (0734 52296)

NATIONALLY ADVERTISED TAKE-AWAY FOOD BUSINESS
for immediate Sale in busy North Kent Town. Turnover £65,000 per annum: net profit before depreciation £11,500. Price £20,000.
All enquiries to:
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GROCERY SHOP/Fancy Foods 1st class position. Excellent potential. Trade £750 p.w., 22.5% profit. £9,000 S.A.V. Mansfield 34858.

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FOR SALE
FULLY LICENSED
FREE OF TRADE TIES
THE ASCOT HOTEL
LONDON, W.2
CLOSE TO PADDINGTON MAIN LINE STATION
FREEHOLD
£330,000
52 BEDROOMS, ALL WITH PRIVATE BATHROOMS.
SALOON BAR. COCKTAIL BAR. RESTAURANT.
TELEVISION LOUNGE. STAFF ACCOMMODATION.
Joint Agents:
Knight Frank & Rutley 20 Hanover Square London W1R 0AH Telephone 01-629 8171 Telex 265384
Fleuret, Haxell, King & Shoard 109 Great Russell Street London WC1B 3NE 01-636 8995

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Berks/Wilts border. Prime market town site. Seats 48. Accommodation 4 beds., 2 recepts. Outbuildings. Fishing and Shooting rights.
Sale £60,000
GOFTON CONYERS & CO.,
2 Glebe Road, London SW13.
01-878 0571

CHRISTIE & CO.
RECEIVERSHIP SALE
NOTTINGHAM COMMERCIAL HOTEL
Superbly situated on major road but facing open parkland. 67 Bedrooms. Dining Rooms. Licensed Bars and Lounges. Car Park. Taking £1,100 per week approx. under receiver. Must be sold. £70,000 Freehold. 50%. Finance arranged.
01-486 4231
32 Baker Street, London W1M 2BU.

BUSINESSES WANTED

YOUR OWN QUOTATION
May be less likely under present and predictable conditions and perhaps there could be advantages in selling totally or a majority holding in your company to a well established public company with profits of two million and in an extremely strong financial position. Our colleagues in subsidiaries work well with us on an equal partnership basis and with whom we have built up a fine profit producing relationship. We now seek to diversify and would be very interested to hear of companies where substantial six figure profits exist or where growth prospects indicate such a future. Although we are using a box number in the first instance you are assured that your letter will be treated in strict confidence by, The Chairman, Box E.7671, Financial Times, 10, Cannon Street, EC4P 4BY.

WANTED
Controlling Interests in a public company with quotations in Britain engaged in trading and development projects in Africa, East and Far East countries. Progressive private companies considered. Enquiries treated confidentially. References can be provided. *Write Box E.7585, Financial Times, 10, Cannon Street, EC4P 4BY.*

MANUFACTURE OF AGRICULTURAL EQUIPMENT
Our clients are a substantial company whose interests include active and successful engagement in the above industry.
Private or Public Companies with strong agricultural manufacturing bases who are interested in the sale of all (or possibly part) of their equity are invite dto contact us at the address shown below.
R. J. SILVER & ASSOCIATES LTD.,
Management Consultants,
27 Great Ormond Street, London WC1N 3JB. Tel. No. 01-242 1972

WANTED FOR CASH OUTRIGHT
SHIPPING AND FREIGHT FORWARDERS
Medium size with or without freehold property office and/or warehouse.
Principals only write to
Box E.7654, Financial Times, 10, Cannon Street, EC4P 4BY.

PUBLIC COMPANY
wishes to purchase wholesale motor factoring companies currently engaged in the distribution of motor accessories, components and garage equipment.
Please reply in the first instance to:
Managing Director, Box E.7655, Financial Times, 10, Cannon Street, EC4P 4BY.

MANUFACTURER OF COMPONENTS FOR ELECTRONICS INDUSTRY WANTED
Our clients who have an excellent profit record are genuinely interested in acquiring a company with good profit or potential.
Please write to:
A. D. CHESSELLS,
Arthur Young McClelland Moores & Co.,
Froomsgate House, Rupert Street,
Bristol, BS1 2QH.

BUSINESS WANTED
Substantial funds now available for purchase of full or controlling interest in a medium-size business in the U.K. All fields with growth potential considered and businesses with considerable asset collateral preferred.
Write Box E.7680, Financial Times, 10, Cannon Street, EC4P 4BY.

QUOTED COMPANIES
£500,000 available for investment in quoted situation where shareholding plus board participation equals effective control for investors.
Full details in strict confidence to:— Box E.7685, Financial Times, 10, Cannon Street, EC4P 4BY.

APPOINTMENTS

Chief Executive

OFFSHORE SERVICES

for a well established company providing offshore services to the oil and gas industry in the Arabian Gulf. The business is backed by a substantial consortium of European, British and Arab interests.

• BASED in Kuwait, the role is to operate the business profitably and achieve plans, already well laid, for further growth. Executive responsibility includes negotiating and supervising contracts with governments and oil companies; operating with experienced expatriate staff a fleet of supply vessels and offshore supply bases and marine installations; developing marine contracting services.

• AN ENGINEER skilled in the negotiation of large commercial contracts and experienced in the general management of a successful business overseas is needed. A knowledge of the oil/gas industry and of marine supply operations would be an advantage.

• TERMS are negotiable; a tax free salary well into five figures is envisaged. Fringe benefits include free accommodation, an air conditioned car and free air transport for the family on leave.

Write in complete confidence
to A. Barker as adviser to the company.

TYZACK & PARTNERS LTD
10 HALLAM STREET • LONDON W1N 6DJ
12 CHARLOTTE SQUARE and EDINBURGH EH2 4DN

Deputy Managing Director

• THIS is an opportunity to join a well-known British group on the Board of a subsidiary company in the West Midlands which manufactures capital equipment. Turnover exceeds £12 million and is increasing rapidly, especially in exports.

• THE appointment is Deputy to the Managing Director who is frequently abroad on business. Responsibility is therefore wide in running the expanding company.

• A QUALIFIED mechanical engineer is required, already successful in general management in a company manufacturing for world markets. The early career should have been in or near production management of heavy capital goods. Experience in international marketing is also desirable.

• AGE bracket 40-50. Salary around £10,000 with car; it could be more for especially relevant experience.

Write in complete confidence
to G. W. Elms as adviser to the group.

TYZACK & PARTNERS LTD
10 HALLAM STREET • LONDON W1N 6DJ
12 CHARLOTTE SQUARE and EDINBURGH EH2 4DN

Divisional Chief Executive

• THIS is a career opportunity to grow with a highly successful business which is expanding rapidly. Backed by strong technical and financial resources from the parent group, a major extension of production capacity is nearing completion.

• THE role is to manage the business profitably and to secure an increasing share of UK and export markets for a versatile range of storage, handling and batching systems for bulk powders and granulated materials.

• A QUALIFIED ENGINEER is required, who can show evidence of success in general management and in marketing comparable capital equipment to a wide range of industrial outlets.

• AGE under 40. Terms are for discussion, the salary element could be in five figures.

Write in complete confidence
to K. R. C. Slater as adviser to the group.

TYZACK & PARTNERS LTD
10 HALLAM STREET • LONDON W1N 6DJ
12 CHARLOTTE SQUARE and EDINBURGH EH2 4DN

STOCKBROKERS

An opening exists within an old established firm for an executive to take charge of the company's expanding bank department. The successful candidate will be experienced at all levels of investment work and will probably be in the age group 25-30. Ability to work within a team atmosphere essential.

Write Box A.5492, Financial Times, 10, Cannon Street, EC4P 4BY.

UNIVERSITY OF EDINBURGH
CENTRE FOR TROPICAL VETERINARY MEDICINE and DEPARTMENT OF ECONOMICS
RESEARCH FELLOWSHIP IN ECONOMICS

Applications are invited for a Research Fellowship sponsored by the Overseas Development Administration tenable for 2-3 years in the Centre for Tropical Veterinary Medicine. The successful candidate will be primarily engaged in a cost/benefit appraisal of veterinary research projects undertaken in aid of overseas territories. Applicants should have a good honours degree in economics with suitable postgraduate experience. Salary will be in the range of £5,000-£5,700. The closing date for applications, which should be sent to the Department of Economics, University of Edinburgh, 50, George Square, Edinburgh, EH8 9JY, is 15th April, 1976. *Please quote Reference 5010.*

Non-Executive Director
Midlands

for a British public group with turnover in the 8 figure category, designing, making and selling high quality consumer durables from factories in the Midlands and South. It has an excellent record of continuous growth and profitability both organic and by selective acquisitions.

The Board wishes to appoint a Director who would be expected to contribute to the formulation of strategic plans and objectives and to comment constructively on group performance. The task calls for a broad range of industrial or commercial experience at Board level in companies of a comparable or larger size. The Board meets in the Midlands.

Those to whom this appointment could be of interest are invited to send a synopsis of their backgrounds and careers – in confidence – to J. M. Ward ref. B.41281. Ideally they should be aged between 50 and 60.

This appointment is open to men and women.

MSL World wide
Management Selection Limited
17 Stratton Street London W1X 6DB

U.K. CONVERTIBLE SPECIALIST

A leading firm of London Stockbrokers, with extensive institutional connections, has a vacancy for another person to join their established convertible section. A highly competitive remuneration will be paid to a suitably experienced applicant who would like to join a small lively group. There will be every possible opportunity for advancement on merit.

Please write, stating age, previous experience, and academic qualifications, if any, to Box A.5490, Financial Times, 10, Cannon Street EC4P 4BY.

MEDIUM SIZED FIRM OF STOCKBROKERS

require Senior Clerk for Australian settlement department. Good prospects for right person. Usual fringe benefits. Salary negotiable. Write *Box A.5481, Financial Times, 10, Cannon Street, EC4P 4BY.*

EUROCURRENCY AND FOREIGN EXCHANGE DEALER

American Bank 5 years in London with active professional eurocurrency dealing activity requires a Dealer, 3 to 5 years active experience chiefly in deposits with some FX. Age 23-28. Good salary and fringe benefits offered.

Reply in confidence to:
Box A.5486, Financial Times,
10, Cannon Street, EC4P 4BY.

LEGAL NOTICES

SIR ISAAC PITMAN CORRESPONDENCE COLLEGES LIMITED

NOTICE IS HEREBY GIVEN, pursuant to Section 293 of the Companies Act 1948, that a Meeting of the Creditors of the above-named Company will be held at 39 Parker Street, London W.C.2 on Wednesday, the 31st day of March 1976, at 10 o'clock in the fore-noon, for the purposes mentioned in Sections 293, 294 and 295 of the said Act.

Dated this 12th day of March 1976.
By Order of the Board,
J. H. T. ROGER,
Secretary.

INITIAL TEACHING PUBLISHING COMPANY LIMITED

NOTICE IS HEREBY GIVEN, pursuant to Section 293 of the Companies Act, 1948, that a Meeting of the Creditors of the above-named Company will be held at 39 Parker Street, London, W.C.2, on Wednesday, the 31st day of March 1976, at 10 o'clock in the fore-noon, for the purposes mentioned in Sections 293, 294 and 295 of the said Act.

Dated this 12th day of March 1976.
By Order of the Board,
J. H. T. ROGER.
Secretary.

No. 00997 of 1976
In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of PARHURST ENGINEERING LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 12th day of March 1976, presented to the said Court by SPENCER FRANKLIN LIMITED whose registered office is situate: Epworth House, City Road, London EC1Y 1AR, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 12th day of April 1976, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

HERBERT OPPENHEIMER,
NATHAN & VANDYK,
20 Copthall Avenue,
London Wall,
London EC2R 7JH
Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 9th day of April 1976.

PUBLIC NOTICES

HERTFORDSHIRE COUNTY COUNCIL

£2m bills issued 24th March 1976 due 23rd June 1976 at 8½%. Applications totalled £8m. £2m. bills outstanding

WEST BROMWICH CORPORATION
7% Redeemable Stock 1976

NOTICE IS HEREBY GIVEN that the registers and transfer books of the above stock will be closed after business hours on the 2nd April, 1976 until 3rd May, 1976 for the purpose of interest payment.
W. S. ASTBURY.
Director of Finance and Registrar.

CINEMAS—(Cont.)

SCENE 2. 3rd YEAR. THE EXORCIST (X). Directed by William Friedkin. Sep. Perfs. Dly. 12.30, 3.00, 6.15, 9.00. Late Show Fri. and Sat. 11.30.

SCENE 3. 2nd YEAR. THE TOWERING INFERNO (A). Sep. Perfs. Dly. 2.00, 5.20, 8.40. Lte. Show Fri. & Sat. 11.45.

SCENE 4. Cont. Dly. 1.00. Lte. Show Fri. and Sat. 12.00. Ken Russell's TOMMY (AA). Progs. 1.00, 3.45, 6.30, 9.15. Lte. Show Fri. and Sat. 12.00.

WARNER WEST END Leicester Square Tel. 439 0791
1. Ellen Burstyn, Kris Kristofferson ALICE DOESN'T LIVE HERE ANYMORE (AA) Cont. progs. 1.15, 3.35, 5.55, 8.20. Sun. 3.30, 5.55, 8.20. Late show Sat. 11.00 p.m.
2. THE SELLOUT (AA) Cont. progs. 2.00, 4.05, 6.15, 8.25. Sun. 3.30, 5.40, 7.55. Late show Sat. 11.00 p.m.
3. OPERATION DAYBREAK (AA). Sep. progs. 2.30, 5.30, 8.30. Late show Sat. 11.00 p.m.
4.5 AL PACINO in DOG DAY AFTERNOON. Cont. progs. 2.15, 5.00, 7.50. Late show Sat. 11.00 p.m.

ART GALLERIES

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CONTRACTS AND TENDERS

REPUBLIC OF NIGER
ANOU-ARAREN THERMAL POWER STATION

Offer for civil works supply erection and starting-up of the whole equipment of a 32 MW coal-burning power station.

SOCIETE SONICHAR OF NIGER soon intends to ask offers for the construction of the ANOU-ARAREN power station, near AGADES. Gross output of the power station will be 32 MW.

This power station will include one boiler and two 16 MW each turbo-generator sets.

The boiler will be designed to burn coal with an ash-content up to 55 per cent.

Studies and work inspections will be followed by ELECTRICITE DE FRANCE, DIRECTION DES AFFAIRES EXTERIEURES ET DE LA COOPERATION (E.D.F.-D.A.F.E.C.O.).

Civil works, supply of materials, transportation, erection, and starting up of the whole power station have to be included in a single offer with a total lump sum price.

To this offer may be added a financing proposal either by the tenderer or by financial services of the tenderer country.

Companies or industrial groups interested are requested to contact:

**SOCIETE NIGERIENNE DU CHARBON D'ANOU-ARAREN,
Boite Postale 724.
NIAMEY (République du Niger),**

or:

**E.D.F.-D.A.F.E.C.O.,
68 Rue du Faubourg Saint-Honoré,
75008 PARIS, France,**

before the 25th of April, 1976, giving references of such equivalent installations on a turn-key basis they have already supplied, mainly in tropical country.

Agreed contractors will receive a tender book which will be sent in the course of May, 1976. Tenderers will have to send their offers before the 1st of October, 1976.

PERSONAL

NURSING HOME (Close to Crystal Palace) has single room available. Enquiries to Mrs. B. Rowe SRN. 01-778 7146 between 5 p.m. and 9 p.m. daily.

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RUGBY UNION BY PETER ...

Surely country must come before county

MR. DICKIE JEEPS, president-elect of the Rugby Football Union, said after England's defeat by France in Paris on Saturday that he hoped clubs would adopt a "more positive attacking attitude" next season. With the utmost respect to an old friend, this is simply scratching the surface of the serious problems in English rugby.

Basically, the need is to switch the emphasis from county to club rugby in all it aspects. The county championship is a joke in most parts, and just a chore to be endured.

There is a sub-committee on competitions, but I gather that certain northern and entrenched county opinion continually blocks any progress towards change. Surey country must come before county.

General misrule

The big clubs have long maintained that they should have more say in running the game, and who can dispute this, in view of the general misrule of the last decade?

In place of the county championship, we could have regional leagues or merit tables, so that players learn to live with the *sort of pressure that exists* in the international arena.

There were great feelings of anger and frustration after Saturday, and to clear the air it would be a good idea if the present and immediate past internationals got together to discuss what they think, rather than what the hierarchy thinks.

To my mind, the gap between administration and players widens every year, and it was no wonder that Engla[...] Saturday, for the pla[...] obviously unable to [...] each other, so conce[...] they with their own [...]

Which leads me to [...] tors. All are dedic[...] selfless men, but out [...] with the modern [...] players. For Dickie Je[...] he intends to take a [...] terest in the player[...] well-intentioned but u[...] job is to preside and [...] But who will be dele[...] season? Alec Lewis [...] and honourably resig[...] other selectors shoul[...] cause they are assoc[...] failure.

What I believe will [...] that the RFU will [...] Sanders, an outstand[...] chairman, to take o[...] interregnum of say t[...]

I would expect him [...] younger men such a[...] culate Bob Hiller, the [...] perienced Budge R[...] others such as Mike D[...] Arthur, John Finlan [...] Perry.

Why they stay

As countless people [...] there must be the [...] England somewhere. [...] there is, but our you[...] do not seem to have [...] tial motivation.

This may be the [...] failure, but we have t[...] where because of [...] some major clubs play [...] potential prefer to [...] their local clubs. Th[...] very players Englanc[...]

The problem is im[...] it needs urgent action [...] not committees and w[...]

APPOINTMENTS

Chairman change[s at] Central Wagon

Sir Frank Figgures, chairman of the Pay Board from 1973-74, has accepted an invitation to be a director of the CENTRAL WAGON COMPANY with a view to becoming chairman in a non-executive capacity before the annual meeting. Mr. G. W. Ross, chairman and chief executive, has resigned because of ill-health. Mr. E. I. Kingston, who joined the company as deputy chairman last August, takes over the position of chief executive.

★

Mr. R. B. Howarth has been appointed marketing manager and Mr. W. W. Park, secretary, of SCOTTISH EQUITABLE LIFE ASSURANCE SOCIETY from April 1. At the same time Mr. A. K. Cormack will become joint actuary. Mr. D. A. Berridge, pensions manager, and Mr. A. C. Macfarlane, agency manager. Mr. J. R. Macfarlane, secretary, retires on March 31. Mr. W. D. R. Williamson, agency manager, retires on June 30, but will leave his present position on March 31.

★

Mr. Christopher Johnson, a director of the Financial Times and managing director of its Business Enterprises division, has been appointed economic adviser to LLOYDS BANK in succession to Mr. Jack Winton who is retiring later this year. He will continue to hold his Financial Times posts until September 30. Mr. Johnson will also edit Lloyds Bank Review, the bank's quarterly publication which has been under the editorship of Mr. Winton since 1964.

★

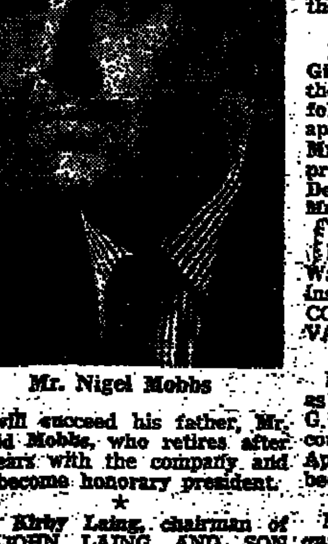
Mr. K. F. Einfeld will join INTERNATIONAL COMMERCIAL BANK as the managing director from May 1 in place of Mr. D. Robson who is retiring.

★

Professor Hnw Morris-Jones has been appointed a member of the INDEPENDENT BROADCASTING AUTHORITY until July, 1979, to represent the interests of Wales. He succeeds Mr. T. Glyn Davies, who has retired.

★

Mr. Nigel Mobbs, deputy chairman and chief executive of SLOUGH ESTATES, has been appointed chairman from April 1.



Mr. Nigel Mobbs

He will succeed his father, Mr. Gerald Mobbs, who retires after 45 years with the company and will become honorary president.

★

Sir Kirby Laing, chairman of the JOHN LAING AND SON group, is to relinquish the chairmanship after the annual meeting in June. He will remain on the Board as deputy chairman. Sir Maurice Laing, the present deputy chairman, will take over as chairman.

★

Mr. H. Gordon Parker has been named life president of the FELIXSTOWE DOCK AND RAILWAY COMPANY and has retired from the Board. Mr. K. A. C. Thorogood, Mr. L. C. Trelawny, Mr. J. E. Norton, Sir P. Eric Millbourn and Lord Kenyo[n] retired from the [...] addition, Mr. R. O. St[...] resigned his direct[...] remains with the c[...] general manager.

Mr. Keith D. Wicke[...] man of European F[...] become chairman [...] stowe Dock and Rail[...] Siddle, European Fer[...] ing director, Mr. W. J[...] Mr. J. J. Briggs, bot[...] are other new member[...] company's Board.

★

Mr. Nicholas K. S[...] been appointed to t[...] COLONIAL SECURIT[...] a company managed [...] Montagu Portfolio [...]

★

Following his app[...] chairman designate of [...] Steel Corporation, [...] Villiers, who is due [...] rotation from the CO[...] Board at the annual [...] July, has indicated t[...] not seek re-election. [...] Gardiner and Mr. G. [...] have accepted invitat[...] the Board of Courtau[...] executive directors. [...] Smith and Dr. N. S. W[...] been appointed additi[...] chairmen. Mr. Gardi[...] executive of the Laird [...] Wilkins is chairman [...] executive of Beecham [...]

★

Mr. Ernest Milburn, [...] general manager of [...] BANK, has been ap[...] executive local direc[...] bank's Chelmsford D[...] Richard Carden, head [...] corporate business [...] department, has becor[...] tant general manager. [...] Carslake, previously [...] 114 Fenchurch Street [...] been made an assist[...] manager, responsible f[...] business advisory serv[...] porate business devel[...] partment.

★

Mr. Brian Baldock [...] appointed vice-presid[...] travellers cheque. [...] AMERICAN EXPRESS [...] responsible for comm[...] lopment in Europe, [...] and Africa. He wa[...] chief executive of the [...] sion of Smith and Ne[...]

★

W. R. Royle and Son [...] ROYLE CITY to hand[...] cial printing. Mr. F[...] a main Board direct[...] managing director o[...] concern. Mr. Eamon [...] the company as sales [...]

★

Mr. W. J. Eckert an[...] Givot have joined th[...] the AZCON CORPORA[...] following officers [...] appointed: Mr. Martin [...] Mr. Cyron Dennen, [...] presidents, and Mr. [...] Dennen, Mr. Charles [...] Mr. David Fox, vice-p[...]

★

Mr. John K. Porter, [...] Walker Walton Hanso[...] installed as president [...] CORPORATED SOC[...] VALUERS AND AUC[...]

★

Mr. E. G. Cornish [...] as joint managing [...] G. E. WALLIS AND SO[...] continue as chairma[...] April 1, Mr. Peter [...] becomes sole managi[...]

★

Mr. Alan Fortune [...] quished his responsib[...] consultant to the [...] AND MASON group [...] tion of his contract a[...] signed from his vario[...] ships within that organ[...] has also ceased to ac[...] man of Independent [...] Services.

★

Mr. Martin D. Ham[...] appointed sales direc[...] PARTRIDGE AND CO[...] be responsible for sale[...] representation, design [...] dering.

Execu[...]

Pr[...]
major

Privat[...]

هكذا من الأصل

The Executive's World
EDITED BY JOHN ELLIOTT

Political and public pressures can halt foreign ventures as BP found with an Italian protein plant. **David Fishlock** reports

'Consumerism' in Sardinia

INDUSTRIAL hazard of manufacturing industry been made increasingly in the last few years, and shows little sign of ng, has brought a £30m. venture between British leum and ANIC, the petro-ical arm of Italy's State-l oil company ENI, to a n Sardinia.

problem is that these two anies cannot obtain val from the Italian nment even to commis-let alone operate, a 10-tonne plant that makes n from oil. The individual behind this is umerism"—the current enthusiasm for objecting lustry's plans.

role stems from a grow-ncern to ensure that the ner is getting value for y and will not be courting hazards and it finds its fervent expression in ions suggesting a toxicity d.

Sardinia, as a statement BP made clear yesterday, Italian Government has ened to suspend two es authorising the use of na in animal feeds. It is these days—for reasons litical prestige within the —to establish itself as a nce in the world of e and it has based its on a belief that it has vered flaws in the product.

nwanted east

prina is a rich protein ntrate made by feeding on certain, unwanted, ituents of crude oil. BP developed two different s, one feeding on the waxy fins present in gas oil, and other using pure normal fin, a food-grade mineral ANIC, which enjoys access ugh ENI) to a Libyan oil ssion, was orginally n to the technology as a of rationalising the fact it would anyway have to ct paraffins from the very Libyan crude.

1971 BP and ANIC ed Italproteine, a 50:50 venture in which they ed to build the world's commercial plant for Top the factory-made protein site at Sarroch, in the south ardinia, alongside ANIC's ry. The 100,000-tonne was to be based on BP's demonstration plant at emouth. It would be capable of making the equivalent in protein of almost three-quarters of a million acres of wheat, for incorporating into animal—not human—feedstuffs.

At current prices for animal protein, the plant has an earning capacity of about £25m. a year. Italproteine anticipated that when the plant came on-stream this summer about one-third of the output would be bought by Italy and the balance exported, principally to France. As the Italian market developed, however, this would become the main and perhaps the sole customer.

Toprina was authorised in 1972 by no less than three Italian Ministries—Health, Industry and Agriculture—on the basis of toxicological evidence on the product as received from independent assessors. This had already been accepted by all other EEC countries, including the U.K. But growing Italian enthusiasm for carrying out its own toxicity tests—once castigated by a sceptical U.S. toxicologist as "an unwillingness to accept results unless demonstrated on an Italian mouse"—produced objections which were neither raised nor subsequently accepted by any of its EEC partners. These "perplexities," as the Italians call them, have since been narrowed to an objection to the presence of a residue of n-paraffin in the product, which has been detected in the lard of pigs fed on Toprina.

An Italian scientist using Toprina supplied by BP from the demonstration plant at Grangemouth has claimed that this residue is a new factor, undisclosed by 12 years of BP-sponsored toxicity testing, entirely at independent research centres, mostly outside the U.K. BP, which is proud of the considerable effort put into its protracted toxicity testing programme, indignantly denies that it is either a new or a significant factor. The toxicological evidence, on the basis of which the decrees were issued, acknowledges that Toprina could contain up to a maximum of 0.5 per cent. of residual n-paraffin.

BP also points out that the World Health Organisation has said that a retention of up to 2 per cent. in animal fat could be expected—indicating a figure of 100 parts per million. The figure found by the Italian scientist was only 71 parts per million.

But BP wonders why the Italian authorities should be so concerned about n-paraffin anyway. It claims that the feedstock for its new plant must already meet medicinal standards—for which the WHO lays down no limits on acceptable daily intake. Moreover, n-paraffin is widely used in food preparation: the Italian authorities permit up to 1,400 parts per million in rice, for example and the French permit up to 20,000 parts per million in coffee.

Political motives

All this convinces the company that there are political rather than scientific motives behind the refusal of the Italian Government to authorise commissioning of the Italproteine plant. There is evidence that some politicians have chosen to make an issue out of protein technology. This view is supported by the fact that another 100,000-tonne protein plant, at Saline on the mainland, built by Liquichimica and using a Japanese process developed by Kanegafuchi, has been ready to operate for almost a year, but still has not received the necessary permit.

Theoretically Italproteine could side-step the problem by undertaking to sell the whole of the plant's output outside Italy; but in practice this would raise formidable problems. France is the main initial market and has accepted that Toprina is safe for animal feedstuffs; but France provides a considerable amount of meat for the Italian market—a Catch-22 situation for the Italian authorities.

For BP another infuriating aspect is that, as this is its first commercial venture into factory-made protein, the delay in Sardinia may have repercussions on its other protein projects. Experience from its protein development units at Grangemouth and Lavera in France has convinced BP Proteins that it has a commercial process for making a source of protein about half as high again in nutritional value per ton of soya, the yardstick of the animal feedstuff business.

But the main selling point about Toprina is that its price can insulate the feedstuff manufacturer from the big fluctations in price of the protein market, where price can depend crucially on for example such uncertainties as the abundance of Peruvian anchovies, provided only that he is willing to enter into long-term contracts with the supplier.

Over the past year, BP's protein interests have been transformed from essentially a research and development operation exploring a novel process, whose sales of protein did not even cover the cost of research, into an animal feedstuffs group with a turnover of about £75m. a year. It now brings together all BP's animal feedstuffs interests, so creating for instance the biggest fish-feed operation in Britain and Europe's third-largest group making milk replacers.

Nonetheless, Toprina remains the product with one of the greatest growth potentials for BP Proteins. But there is a question over whether delays to the Italproteine project *might* discourage other nations *now* participating in Toprina projects. In Venezuela the situation is encouraging. The company has carried out a joint study with the Venezuelan animal feedstuffs industry for a 100,000-tonne plant, which it announced early this week is expected to be in production by 1978-79. It is also making a joint study with Petromin in Saudi Arabia, where by the early 1980s a Toprina plant might be integrated into an animal husbandry venture on what to-day is a strip of desert.

Most exciting of all are prospects in Russia where BP Proteins has submitted a design study for the construction of a 250,000-tonne turnkey plant based on the Italproteine operation with the possibility of stretching to 1m. tonnes. The special significance is that the Russians have made a big effort themselves to develop factory protein technology.

As pioneers of a new source of food—albeit at this stage an *animal* feed—Italproteine is meeting head-on a problem of direct concern to many large companies in chemical processing and food. In Britain alone, ICI, Shell and Ranks Hovis McDougall have all declared a commercial interest in factory-made protein—in the case of Ranks, for the human food market.

No company can remain *sanguine at the prospect of* having a large investment balked on grounds as tenous as those advanced so far by the Italian health authorities. But perhaps industry could take heart from the Russians who, having built several plants of their own, have now approached BP. It is suspected that they have done so because they have failed to meet their own standards of product safety.

BUSINESS PRACTICES

BY NICHOLAS LESLIE

Inquiry on corruption abroad

A GROUP OF influential public figures drawn from different parts of the world will meet in London next month to embark on a study of corruption in business. They form a Commission set up by the International Chamber of Commerce to look at "unethical practices" at a time when the way some companies obtain business is coming under close scrutiny, particularly in the U.S.

Lord Shawcross has been appointed chairman of the Commission. From his background as an international lawyer, businessman and former politician, he intends to elicit evidence from various countries, companies and individuals and may call on the UN for support. A code of conduct might then be drawn up.

Seven people have so far been *appointed to the Commission,* embracing countries such as Belgium, Sweden, India, the U.S. and the U.K. This still leaves three places vacant, which it is hoped will be filled by representatives from France, the Middle East and Latin America. There is also a small secretariat and the advice of a firm of accountants and solicitors will also be sought.

The recent announcement by the International Chamber of Commerce (ICC), whose general aim is to foster fair trade and competition, of the Commission has brought only a low-key response in the U.K. It seems likely the situation will remain that way despite the sharper interest in the U.S. current investigations into the same issue. Unless some instance of corruption emerges in the U.K. the Commisssion will carry out its investigations well away from the public gaze and any report of its findings is unlikely to emerge before the end of the year.

The subject of the *inquiry* is one in which goverments are likely to take a keen interest and in the U.K. Mr. Peter Shore, Secretary for Trade, is also watching the extent to which British companies operating overseas are affected. However, for any of them to undertake a similar international task themselves would be impossible for fear of accusa*tions of interference in* another country's internal affairs. The ICC, as an organisation made up of representatives from different countries willing to pool their knowledge, considers itself equipped to avoid such problems.

Explaining how the Commission had come to be set up, Lord Shawcross said that the ICC believed that some international companies were being embarrassed by the need to resort to bribery to get business. It was therefore hoped that this initiative would help resolve the problems while avoiding a proliferation of inquiries and that the Commission's findings would be recognised as authoritative.

But the Commission's intentions are likely to meet with some scepticism from the people it will be talking to. As one senior executive of an international company commented to me: "How can you expect to change methods of trading which have existed as a way of life for more than a thousand years?"

Giving a personal view, Lord Shawcross said there were perhaps 12 countries where corruption was "quite exceptional and is regarded with grave legal and social disapproval." He includes the U.K. in this list. But in a number of other countries he considered corruption was "almost as a way of life" with no adequate measures to prevent it.


Lord Shawcross

At a time when company ethics abroad are an issue of public debate, Lord Shawcross explains how an international inquiry he is to head will do its work.

It is these countries in particular, mostly developing nations, which will be studied closely. The commission will not be looking at specific cases, but rather at what law exists in different countries and to what extent efforts are made to enforce laws as well as the degree to which companies can operate without having to submit to corruption.

Commenting on the current American experience, Lord Shawcross said that "great play has been made of the fact that corruption appeared to be the fault of the large multinationals. But there were some countries where, whatever the company, you could "not do business without greasing someone's palm." Therefore, you had "got to make sure that those accepting money were punished."

The commission would probably get its information through the national committees of the International Chamber of Commerce using questionnaires and by talking to individuals, but not necessarily on the basis that what they said would be published. Companies might be asked if they had given any money and whether they had got work through doing this. Where there were no national committees "we shall have to see what information we can get," said Lord Shawcross.

To produce a subsequent reaction in countries, the Commission might go to the extent of naming them, although this was something which would have to be considered with great care, said Lord Shawcross. Some means of "shaming" countries might be employed and the UN might even be asked to bring pressure to bear for the introduction of legislation. "We might even suggest a code of conduct for companies operating internationally."

Lord Shawcross recognised the difficulty for honest companies which found they could not get work without resorting to bribery, but maintained: "If these payments are made there should be full disclosure in the accounts of the company concerned."

The problem which is being investigated is probably no stranger to the majority of companies which operate on an international scale, and particularly in certain regions of the world. In most of the emerging areas an international company's only hope of gaining a foothold is to appoint a local agent and it is this system which is readily open to abuse. To gain business, a percentage of a total order value might be paid to the agent. In turn when charging for his own outgoings, the agent might include the cost of bribes over which the company might have no control.

An international agreement on a legal definition for bribery and corruption might be needed before any general law and penalties could be drawn up to stop the practices. Then, there would remain the problem of enforcement.

One of the things which clearly worries companies is that if, for example, a high moral stance were taken in the U.K. without allowing for different trading ethics elsewhere, a lot of business might be lost.

The members of the Commission are: Lord Shawcross (chairman), chairman of City Take-over Panel and a former Attorney General, and President of the Board of Trade;

Arthur von Bulow, from West Germany, a former secretary-general of the Federal Ministry of Justice;

Jean Ray, of Belgium, former chairman of the Commission of the European Communities and a Minister of State;

Erland Waldenstrom, from Sweden, chairman of the Board of Granges AB.

Subramanya Bhoothalingam, from India, former secretary of the Indian Ministries of Commerce, Industry, Steel and Finance, and former director-general of the Indian National Council of Applied Economic Research.

William H. Franklin, of the U.S., chairman of the Board of Trustees of the Committee for Economic Development, and retired chairman of Caterpillar Tractor Company;

Rudolph A. Peterson, also from the U.S., retired president of Bank of America, and former Administrator of the UN Development Programme.

Audits to conserve company energy

HOW IS IT that two companies making much the same products in much the same way can differ by a factor of two in the energy they consume? The answer, the Government believes, could be found in what it calls an "energy audit" which can be carried out by both large and small companies.

Last summer the Department of Industry set up an "energy thrift unit" which is now investigating and advising companies on their use of energy and materials. Its "auditors" are looking especially at wasted materials and rejected components—which, it seems, may well account for that factor of two.

The idea is to build up representative profiles of the way different sectors of manufacturing industry are using energy. These profiles might then be used as yardsticks against which companies in similar lines of business could be compared. The "auditors" are being recruited from some of the industrial research associations because they have a good understanding of, and rapport with, the industries they are investigating.

Now the Department of Energy has published a "do-it-yourself" guide to energy auditing, in the hope of inducing the small manufacturer in particular to quantify his energy requirements. It shows him how to break down his fuel and energy inputs into the major sectors—environment, production, transport, etc., how to subdivide them process by process, and finally how to allocate different types of energy (electricity, gas, steam, compressed air, for example) to each process.

Given this simple breakdown, the "auditor" can begin to select points of profligacy in energy consumption for special attention. The guide suggests assembling an energy conservation task force consisting of, say, the production manager, the engineer and the cost accountant.

Why this group may be necessary becomes clearer from some examples of possible remedial action that may be highlighted by the energy audit: Improve the standard of maintenance of thermal insulation, instrumentation, combustion equipment; check automatic control equipment and if necessary adjust the settings; carry out plant efficiency trials; alter processing schedules to see if greater output can be gained with the same amount of energy, or if the same output can be gained with less energy. As is evident, these cut across most conventional boundaries of marginal responsibility.

Another piece of advice the guide offers is to involve top management, unions and employees in any energy saving campaign, and to keep them informed of its progress. It suggests that estimated energy savings should be verified against a budget and due attention be paid to whether any changes have unforeseen beneficial (or adverse) effects. It also advises that companies should set targets which capture the interests of people concerned.

And one final check on how well the energy auditor is doing: "when you think that you are doing the best you can, get outside specialist advice for further improvements."

**Fuel Efficiency booklet 1: Energy audits, published by the Department of Energy. No Charge.*

David Fishlock

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FRIDAY, MARCH 26, 1976

The politics of prices

THE Confederation of British Industry decided some weeks ago that it would not be realistic to persist with its original call for the abolition of price controls: since controls on both prices and wages were introduced simultaneously in 1972, it has been almost impossible politically to call for continued wage restraint without some counterpart on the price side. On the other hand the CBI has continued to campaign vigorously for modifications in the Code, and has now compiled a shopping list of proposals for Mrs. Shirley Williams to consider. They vary from the sweeping away of all detailed controls in favour of a quarterly check on margins to more detailed ideas on the calculation of margins and allowances.

A hasty effort

Before commenting on the merits of the particular ideas proposed, it should be said that some reform is now becoming urgently necessary. The original code was a hasty effort, designed to meet the needs of what was then hoped was a short-term emergency programme; but now, in its fourth year, Ministers are talking of the need for wage restraint—and by implication, for some check on prices—for the indefinite future. As with wage controls, errors and anomalies which can be suffered philosophically for a short time must be tackled in the longer run. The basic task—to allow industry to generate the funds for expansion while satisfying the unions that their own restraint is not simply a profit-maker's benefit—contains an inherent conflict of objectives, and the Code can never satisfy everyone: but that is no excuse for sticking to principles which are clearly illogical and outdated.

The prime objective must be to ensure that industry can take full advantage of the opportunities offered by the upturn in the cycle to make the cyclical profits which are a main source of internal funds. This can be approached in a number of ways: an enlargement of existing investment relief provisions; changes, where necessary, in base dates for reference margins; and a realistic allowance for costs.

The provision of investment allowances—which effectively allow companies which want to expand to try to raise the funds from their customers—is so appealing that there is a danger of putting too much weight on it. On a short-term view, it is a means of relaxing the Code selectively in favour of growing companies, and offers the TUC a realistic choice between lower prices and more jobs. However, these advantages should not be allowed to mask the fact that companies require a return on *investment* (including past investment) as well as access to funds; nor do investment allowances excuse other glaring faults in the code.

There are two areas which need tackling: anomalies and definitions. Some industries—notably the food industry—and some companies were caught out by the original dates given for reference margin calculations: it is now time to establish machinery to examine such cases. A much more serious problem is the use of misleading historic-cost accounting principles which allow quite inadequate provision for depreciation—directly discouraging capital investment—and none at all for the financing of stock appreciation. The result is that the code is far more restrictive than it appears to be—the worst possible fault. Until now the authorities have refused even to contemplate these difficult problems: they must face them now.

Longer term

For the longer term, there are other matters which require attention. The use of turnover for the measurement of margins is illogical and potentially damaging: it discourages mergers — especially vertical mergers—between efficient companies, since profits might expand more than turnover, but creates a motive for buying up inefficient companies analogous to the old practice of buying tax losses. A measure based on value added would avoid these distortions. The fact that the code discourages cost-cutting investment, demonstrated on a case-by-case basis by the Bank of England, is a glaring fault, though not the easiest to put right. Above all the Government must show that it recognises that the Code as it stands simply will not do as a permanent rule for pricing, whatever the political problems of reforming it.

A flicker of hope for Italy

THE RE-ELECTION of the reformist Sig. Zaccagnini as Party Secretary at the Congress of the Italian Christian Democrats gives at least some slight hope that the politicians can begin to deal with the country's problems. It is true that he was returned by only a small majority over the Defence Minister, Sig. Forlani, who had argued that the party should meet the Communist challenge by reasserting traditional values and, in effect, by moving to the right. But it is also true that this was the first time the Party Secretary was elected by the Congress as a whole rather than by a small group of party managers. The new method is a sign that grass roots criticism is being heard and could just be the beginning of the revitalisation of the party that is so urgently needed.

Abortion

The immediate result of the election is that it should now be possible to avoid a new political crisis over abortion. Until yesterday it looked as if this was the subject which could bring down the minority Christian Democrat Government and force a premature general election. Sig. Zaccagnini, however, has made it clear that although the Christian Democrats are a party of Catholics, they should not be utterly beholden to the Catholic Church. He recognises too the risks of holding a referendum on the abortion issue. He is therefore likely to seek a compromise which reduces some of the social problems of back street abortions, but does not wholly offend the Catholic principle of the sanctity of human life. It should not be too difficult to obtain support along these lines from other parties, which do not want a referendum or early general elections either.

If this hurdle can be crossed, it should then be possible for the parties to begin to discuss co-operation in wider fields. The small Republican Party has already suggested that there might be broad agreement in three areas: measures to reduce the public sector deficit, to increase the efficiency of the public services, and to prevent the economy and the decline of the lira from getting completely out of hand. It has approached the Liberal, Socialist and Communist Parties with its proposals and has at least not been entirely rebuffed. Now that the Congress is out of the way, it is free to approach the Christian Democrats. Sig. Zaccagnini, who spoke of "constructive confrontation" with the Communists, which means some acknowledgement of the Communists' importance without bringing them into the Government, should not be unreceptive.

The lira

None of this will solve the longer term problem which is that the Communist Party controls about one-third of the electorate and seems likely to be able to demand and get a share in the Government after the elections. But there is also a short term problem which, if it is not dealt with quickly, will make the longer term prospects even worse. This is that Italy is in danger of becoming ungoverned and ungovernable. The collapse of the lira is, in reality, a political phenomenon. If there is no government, no amount of foreign loans will prop it up and, of course, there will come a point when foreign loans are no longer obtainable. The very worst possibility would be for the situation of the past few months to continue until elections become unavoidable when Parliament's five year term expires next Spring. It is therefore in everyone's interest to seek to gain control now. The political parties can best do this by striving for a measure of co-operation. Sig. Zaccagnini's re-election, however small the margin, could just bring this about.

Yesterday's naming of Sir Jules Thorn's successor as chairman of Thorn Electrical Industries ends one of U.K. business's most drawn-out succession sagas. **Christopher Lorenz** examines Sir Jules' achievements over 40 years and looks at the tasks facing the man chosen to replace him

New directions for Thorn

ONE of the most drawn-out succession sagas in the history of British business appears to have come to an end. Yesterday afternoon, nearly five and a-half years after Sir Jules Thorn, now 76, first talked publicly of retiring "within a year," he formally told the Stock Market, his 82,000 employees, and the world, that he would be stepping down this August as chairman of the company which bears his name.

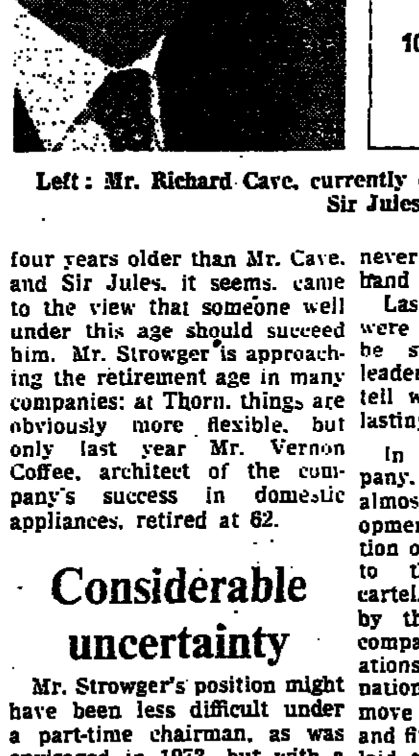
Thorn Electrical Industries was founded as a public company exactly 40 years ago, a decade after the young Jules Thorn had come to Britain as representative for an Austrian gas mantles company. In the half-century since he went independent by selling other people's lamps and radio components, his company has successfully challenged the established business order in one sector after another—pre-eminently in lighting, but also in radio, television and domestic appliances. The company now has annual sales of nearly £1bn., more than 80 factories, and a level of profitability in the current recession which has surprised even the optimists—a track record which has earned Sir Jules repeated accolades from the establishment he once challenged from outside.

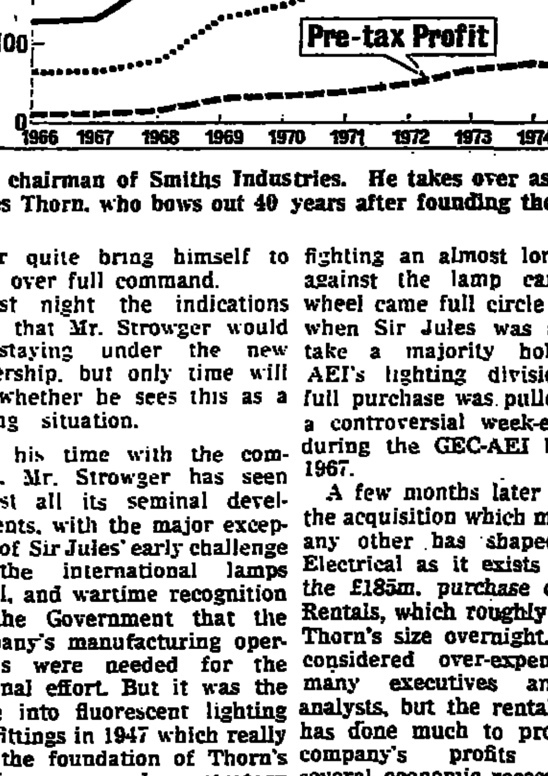
Ability to surprise

In a style which befits a brilliant entrepreneur with an unsurpassed ability to surprise competitors and colleagues alike, Sir Jules has now confounded many people with his choice of successor, and the manner of his going. For several years Sir Jules was thought to be looking for a successor who was universally known in the business world, possibly with a title to boot. Over the past year, attention shifted to a possible merger which might in one move solve the succession problem (and provide such a personality), and give Thorn Electrical Industries the major diversification (geographically, in terms of products, or, preferably, both) it needs if it is to reduce its dependence on consumer products in the U.K.

The appointment of Mr. Richard G. Cave, chairman of Smiths Industries, to what, it is stressed, will be a permanent rather than a stop-gap, position, must at the least put back any thought of a merger between Thorn and a company such as Hawker-Siddeley or EMI. Both have recently been serious contenders, partly because either move would make diversification sense—at least from Thorn's point of view—but also because both Sir Arnold Hall and Mr. John Read admirably fitted Sir Jules' original criteria for his successor.

One of the most immediate uncertainties in the new situation will still centre round personalities: the future relationship between Mr. Cave and Mr. Jack Strowger, who has served at Sir Jules' side for 30 years and whom Sir Jules once saw as his successor, either completely or as chief executive under a part-time chairman. Mr. Strowger is now 60, four years older than Mr. Cave, and Sir Jules, it seems, came to the view that someone well under this age should succeed him. Mr. Strowger is approaching the retirement age in many companies: at Thorn, things are obviously more flexible, but only last year Mr. Vernon Coffee, architect of the company's success in domestic appliances, retired at 62.





Left: Mr. Richard Cave, currently chairman of Smiths Industries. He takes over as Thorn's chairman in August. Right: Sir Jules Thorn, who bows out 40 years after founding the company.

Considerable uncertainty

Mr. Strowger's position might have been less difficult under a part-time chairman, as was envisaged in 1973, but with a full-time appointment, there will be considerable uncertainty over who is to act as chief executive—a title held by no one in Thorn at present. Sir Jules' statement three years ago that his executive functions had now been handed over to Mr. Strowger may have been accurate in theory. But Sir Jules continued to live the only life he knew—day-to-day involvement in the building of his company, often delegating less than he should, and continuing to receive even daily reports on the turnover of certain divisions. Mr. Strowger's behind-the-scenes achievements have been extremely impressive—from piloting the crucial Radio Rentals merger in 1967-68 to master-minding the telecommunications link with L. M. Ericsson in 1973—but, like all long-serving lieutenants, he has had a senior officer who could never quite bring himself to hand over full command.

Last night the indications were that Mr. Strowger would be staying under the new leadership, but only time will tell whether he sees this as a lasting situation.

In his time with the company, Mr. Strowger has seen almost all its seminal developments, with the major exception of Sir Jules' early challenge to the international lamps cartel, and wartime recognition by the Government that the company's manufacturing operations were needed for the national effort. But it was the move into fluorescent lighting and fittings in 1947 which really laid the foundation of Thorn's lighting success. In a strategy which he, Mr. Strowger and Mr. Coffee were to repeat in the sixties and seventies with colour TV tubes (RCA), refrigerator manufacturing (Bauknecht) and telecommunications (Ericsson), Sir Jules imported lighting technology from Sylvania in the U.S. (now part of General Telephone and Electronics) — thereby avoiding years of expensive research and development—and made the products in ultra-efficient plants ("See our factories—they'll inspire you," he still tells visitors).

Another perennial Thorn strategy was first employed in 1950: the low-cost takeover of troubled competitors. This technique was used again and again in the mid and late-sixties to build up the business.

From the days of the 1930s, when the Thorn company was fighting an almost lone battle against the lamp cartel, the wheel came full circle in 1963, when Sir Jules was asked to take a majority holding in AEI's lighting division. The full purchase was pulled off in a controversial week-end coup during the GEC-AEI battle in 1967.

A few months later followed the acquisition which more than any other has shaped Thorn Electrical as it exists to-day—the £185m. purchase of Radio Rentals, which roughly doubled Thorn's size overnight. It was considered over-expensive by many executives and City analysts, but the rental income has done much to protect the company's profits through several economic recessions, including the current one.

Mr. Strowger's handling of the complex takeover helped him into the managing director's seat in 1970. From that year a series of changes in management structure have received little attention from outside but which are vital in considering the question of the company's future.

For the past six years Thorn has been given an increasingly divisionalised structure, at all levels: the widely-spread engineering side has been split into three divisions, for example. In 1973 an executive Board was created. This consisted of nine people, whose average age of 47 was some 10 years less than that of the main Board, even if Sir Jules' age was left out of account.

A year later, four of these new appointees (aged between 42 and 50) joined the main Board. Sir Jules never attends the executive Board, which meets monthly under Mr. Strowger in what is seen as an "engine room" role.

Caught out badly

The company's top management has been caught out badly only once in recent years: the mis-reading of demand for small colour television sets, and of the strength of Japanese competition, which (admittedly aided by swingeing Government hire purchase and tax restrictions) forced this year's closure of a new £20m. colour tubes plant at Skelmersdale, Lancashire.

But there is a growing feeling in the City and also in parts of the company—that more might have been done to achieve the substantial geographic and product diversification which several top executives advocated more than five years ago.

The company's current position is as follows: 63 per cent. of its turnover is in purely consumer products (cosumer electronics and d[...] appliances). A further [...] cent. is in lighting, a [...] tial section of which [...] dependent on consumer [...] Engineering, into whi[...] Strowger in particular [...] favoured diversifying [...] for only 16 per cent. A [...] per cent. of last year [...] were in the U.K. with [...] per cent. in Continental [...] —an improvement on [...] position, but well shor[...] ideal balance.

Sir Jules might disag[...] in all but engineering [...] seems little further so[...] increasing the U.K. [...] shares held by the [...] existing operations. [...] over one third of the [...] for lighting, colour an[...] chrome TV, cooker[...] refrigerators, and now [...] thirds of the TV rental [...]

Candidate tipped

Since 1970 a series [...] ploratory talks has be[...] with diversification [...] abroad especially with [...] the German family-own[...] and TV groups at [...] Hawker and EMI. Vario[...] U.K. candidates hav[...] tipped, some with sou[...] (like Plessey, though [...] relationships have sto[...] way here), others on [...] questionable basis [...] cently Rank). None [...] options has been ado[...] Thorn has also failed [...] a number of lesser-know[...] (especially in Europe[...] have come its way, an[...] have served well to bro[...] base: Smiths Industri[...] now be added to the [...] possible candidates.

There are several [...] judging this situation [...] to cite Sir Jules' we[...] preference for the ligh[...] "brown goods" busines[...] TV etc.) over anythin[...] could be described as [...] goods. This, plus his [...] secure a maximum re[...] any outlay in the mini[...] time, has made him [...] loyal Board baulk at [...] opportunities.

Another view is that [...] pany was wise to de[...] resources to financing [...] expectedly rapid bui[...] colour TV rental since [...] to continuing to inves[...] manufacturing capac[...] domestic appliances [...] the current recession. [...] now on, it can be argue[...] will generate as mu[...] which will be free for [...] tions as Sir Arnold W[...] has at GEC. Unlik[...] Thorn's scope for develo[...] main existing busine[...] limited. Mr. Cave's task [...] to establish new directi[...] growth, and new allian[...]

MEN AND MATTERS

Cave's second family firm

Smiths Industries, where the surprise choice for Thorn Electrical Industries' new chairman has so far spent his working life, moved smartly to settle its *own lines of succession* with all the available places being filled in-house.

As Richard Cave, 56, leaving the Smiths chairmanship for the Thorn job next September, put it yesterday: "We're totally sorted out"—so no speculation required. His successor, managing director Eric Sisson, 61, began outside Smiths. After being an apprentice at Hawker Aircraft, he joined the old Imperial Airways and was an engineer officer on the world-wide clipper boat services which continued operating during the war. He went to Smiths from BOAC in 1955, becoming managing director in 1973.

Smiths' other two changes involve director William Mallinson, 53, taking Sisson's place, and 37-year-old Roger Hurn, who joins the Board from a divisional managing directorship. Like Sisson and Mallinson, his is a technical background, starting with an apprenticeship at Rolls-Royce Motors in 1956.

As for Cave himself, he was the first outside the Smith family to get to the top of the company, his predecessor, Ralph Gordon-Smith, being a fourth generation member of the family which began commerce with clockmaker Samuel Smith in the middle of the last century.

Cave broke off an engineering degree course to join the army and then went to Smiths in 1946. His first job there was to run the commercial side of the Radiomobile car radio company, jointly owned with HMV and then just a few days old. There were then few cars to put the radios in, but Cave recalls with relish that the contract to equip Rolls-Royce cars was quickly in the bag.

He rose through the motor accessory side of the group, becoming managing director in what was seen as distinctly new broom days in 1967. Despite its clocks and car instruments (now relatively minor parts of a well-diversified group) Smiths is not perhaps as well-known as the much larger Thorn group. It is now 45 years since Sir Jules Thorn opened his first radio shop in Twickenham. He described Cave as "The best man I've met, and everyone's been after the job." Thorn pointed out carefully that he remained the largest shareholder, so how active a part will he continue to play? "It depends," he said, "on how much they need me."

A younger Liberal

In picking Alan Beith to succeed Cyril Smith as Liberal Chief Whip, Mr. Thorpe has elevated the second youngest member of his parliamentary party to replace the heaviest. The youngest is David Penhaligon, 32, and Beith is just one year older.

An MP since he won the by-election at Berwick upon Tweed in 1973, Beith has already gained for himself the reputation of being a skilled parliamentarian, but while his position within the parliamentary Liberal Party seems secure, his membership of it is not. He won his by-election with a majority of just 73 in a five-way fight, and his most comfortable victory to date was in the February 1974 election when he won by 443 votes in a three-way contest: in October 1974, his lead was cut back to 73.

Outside Parliament Beith is one of the lesser-known Liberal MPs. He has an academic background—after studying at *Balliol and Nuffield colleges* at Oxford he went on to Newcastle University as a lecturer in politics—and has also had considerable local government experience. In addition he has found time to become a Methodist preacher and as one Liberal Party official said last night, "We don't really think of him as one of the youngest MPs."

"I see that even the courts are taking note of inflation."

Odd pair?

With all eyes concentrated on who will be next into 10 Downing Street few people yesterday spotted a couple of interesting departures. After lunch the unlikely duo of National Enterprise Board chairman Lord Ryder and James Goldsmith were seen leaving together and neither they nor No. 10 were prepared to comment on their presence beyond the fact that they were the Prime Minister's sole guests at a private luncheon party.

It would appear however that the occasion had nothing to do with Goldsmith's position as chairman of the troubled Slater Walker Securities, or as head of the rather happier Cavenham group. Speculation now rests therefore on the question of whether Goldsmith is being canvassed for some public sector role.

Odd job

Still on the subject of public sector appointments, the outgoing chairman of British Steel Corporation, Sir Monty Finniston, apparently had an interesting time in Hull the other evening. Faced with the ticklish problem of addressing a careers convention attended by 500 fifth and six form students shortly after the announcement that his own contract with BSC will not be renewed in the autumn, Sir Monty pointed out the importance of job satisfaction and the need for people to be prepared to change their jobs if necessary. He adroitly sidestepped some pertinent questions about his own future prospects.

Odd

Two odd examples of attempted child care. The first, on the back of an ice cream van, is the ambiguous notice "Warning! Children being served." Meanwhile a proprietary brand of cough linctus for children up to the age of ten carries the caution. "This may cause drowsiness. If affected do not drive or operate machinery."

Observer

POLITICS TO-DAY: THE NEXT PRIME MINISTER

The growing power of the Premiership

[EV]ERYONE loves a horse race, [and] a political horse race is one [of] the best. True, the contest [for] the Labour leadership lacks [...] but, still, the British pub[lic] has not had so much fun [out] of its politics since the great [...]y race for the premiership [in 1]963. This sporting element, [whi]ch I have occasionally heard [dep]lored by the fastidious in [the] first few days, seems to me [a th]oroughly good thing. Any[thin]g that entices people to [thin]k however, obliquely, about [the] nature of their Govern[men]t for a few weeks must be [rega]rded as a plus. Yet it [wou]ld be a pity if the emphasis [on p]ersonalities completely ob[scur]ed some of the intriguing [ques]tions of a more permanent [and] institutional nature that [this] election raises.

[O]ne of these, of course, is the [...]t constitutional innovation [invo]lved. There has never in [Briti]sh history before now been [a tr]ue election for the Prime [Mini]stership as such. The ques[tion] which inevitably arises is [whet]her or not the electoral [colle]ge that happens to have [been] chosen—the 315 members [of t]he Parliamentary Labour [Part]y—is the right one. Con[serva]tives, who are officially [supp]osed to be redrafting their [own] leadership election rules [unde]r the aegis of the 1922 Com[mitt]ee, have never really faced [the] question of what happens [whe]n a leadership election is [requ]ired during a period of their [in] office. Is the Queen's prero[gativ]e, to which they have [alwa]ys declared undying devo[tion], really to be maintained—[and] if so, how? The Labour [Part]y has now completely cut [out] the Crown, except in a [pure]ly formal sense, but will [doub]tedly have to face [obje]ctions from the rank and [file] to an "elitist" procedure which excludes anybody outside the circle of Westminster.

This is a subject worth returning to. To-day it seems more appropriate to concentrate on another aspect of the business—the nature of the Prime Ministership itself. Here are six able politicians, of the same party but of markedly different views and temperaments, vying for the top position in British politics. Why and how does it matter which one is chosen? Each would work, if elected, with more or less the same colleagues; and the economic and political constraints he will find himself in will dictate more or less the same policies.

Even Mr. Anthony Wedgwood Benn, to take the extreme example could not adopt the policies adumbrated in his "manifesto"—or anything like them. If he tried to abandon the Government's present economic strategy he would face the resignation of the four most senior members of the Cabinet and the revolt of enough backbenchers to necessitate a general election, which he would almost certainly lose. So what, under these conditions, do we mean by the power of the Prime Minister?

Difficulty

One difficulty in answering this question lies in discerning what development, if any, in the office of Prime Minister has taken place recently beneath the gigantic variations caused by the individual talents of those who have held it, and the transient political problems to which it has had to be adapted. Is it true, to take the central argument started by Richard Crossman in the early 1960s, that we are heading towards Prime Ministerial, as opposed to Cabinet, Government?

Sir John Hunt, the present Cabinet Secretary (left), and Lord Trend, his predecessor (right). In practice the Secretary regards himself as mainly the servant of the chairman of the Cabinet.

Crossman himself, having put forward a very sharp "Prime Ministerial" thesis in his famous introduction to Bagehot, was persuaded by four years' experience as a Cabinet Minister to the more "collective" view expressed in his Godkin lectures — although by common consent, Mr. Harold Wilson was at this period an extremely active Prime Minister who started in a position of commanding dominance over the rest of his team. Mr. Edward Heath took office in a dominant situation as the result of his unexpected victory in the 1970 election, and became still more dominant as time went on. Mr. Wilson (Mark II) has been, by contrast, very much the traditional *primus inter pares*, the relatively relaxed chairman of a genuine committee.

The only means of threading a way through this maze, and arriving at a sound estimate of the freedom of manoeuvre likely to be enjoyed by Mr. Wilson's successor, is to make a distinction between the inherent powers of the Prime Ministership and an individual Prime Minister's ability or willingness to wield them.

Intrinsically, it seems to me, the office of Prime Minister, as Mr. Wilson leaves, is stronger than it was when he first inherited it 12 years ago. The fundamental weapons are still firmly in the Prime Minister's hands—the power to appoint the members of his administration and the power to call for a dissolution of Parliament at a time of his own choosing. These are the powers which have given Prime Ministers since the late 19th century the whip hand; and the fact that certain Cabinet posts more or less fill themselves or that some Parliamentary disaster may drive a Government from office willy nilly, only partially or occasionally diminishes them.

In fact, in one important respect this time honoured leverage has grown greater in recent years. Since 1964 the number of MPs and Ministers relying for their salaries exclusively on public funds has greatly increased. The age of the professional politician is now at its height, and in such an age, loss of office or loss of a Parliamentary seat is a far more serious business than in the past.

There are other classic weapons in the Prime Ministerial armoury which are now more powerful than before. The most obvious of these is the "divide and rule" principle. The rapidly increasing complexity of government has justified—and indeed to some extent made essential—the increasing use of Cabinet Committees of an ad hoc character to deal with particular problems. Both Mr. Heath and Mr. Wilson have resorted to this method of doing business in a massive way and the result has undoubtedly been to increase the Prime Minister's capacity for bending decisions his way.

For one thing, he decides which committees should be set up and who should be their chairman and members. For another, much business that might formerly have come before full Cabinet is now settled in the smaller and more easily handled bodies or, if it does come up to the full Cabinet, is handled in a more perfunctory fashion. Sheer pressure of work is tending to make individual Cabinet members less well-informed about subjects not in their direct portfolio and therefore less inclined than ever to take strong positions where their own immediate interests are not involved.

A more controversial question is whether the enormous change that has come over the central capability of the Government since 1964, now constitutes a genuine Prime Minister's Department on Continental lines—albeit in a still rather rudimentary form. There has been, first of all, the growth in the Cabinet Office, as such, by more than 50 per cent. to its present strength of 680 since 1964. Then there is Mr. Heath's innovation of the Central Policy Review Staff (the think tank). And finally there is the Wilson (Mark II) introduction of a more politically oriented Policy Unit under Dr. Bernard Donoughue.

Present constitutional theory states that these institutions are at the service of the collective executive, the Cabinet, and not the perquisite of the Prime Minister. Connoisseurs will have enjoyed an almost comically strait-laced statement of this theory by Mr. Heath and Lord Trend, the former Cabinet Secretary on Radio 3 recently.

Strictly speaking, this is quite true—though less obviously true in the case of the Policy Unit, which in effect works directly to the Prime Minister, than in the case of the CPRS and the Cabinet Secretariat. But two facts pollute the purity of the doctrine. The first is that the Cabinet Secretary, now Sir John Hunt, in practice regards himself as the servant principally of the chairman of the Cabinet—indeed Mr. Wilson himself once incautiously stated in an interview in 1969 that the Cabinet Secretary was for practical purposes the Prime Minister's Permanent Secretary. The other fact is that whatever theory proclaims, the Prime Minister is the chief customer for the products of these central units. The CPRS and the Policy Unit enable him to conduct an independent check on the policies of individual departments; and the Cabinet Office enables him, through the Civil Service network, to exert influence and gather information from the farthest reaches of Whitehall.

This is a capacity which was not available before 1970. It would have been unthinkable at any earlier stage; for, as a Conservative ex-Chancellor remarked the other day, the Treasury in its heyday would have strangled anything like the CPRS or the Policy Unit at birth. The struggle for pre-eminence between the Cabinet Office and the Treasury which has been raging ever since 1916 is now virtually settled in favour of the former—and the chief beneficiary is the Prime Minister.

It is highly significant that the great issues of the last two years—the Common Market, devolution, and Northern Ireland—have been dealt with by special units in the Cabinet Office co-ordinating the activities of the departments primarily concerned. "Co-ordination" in these fields has, in practice, become Prime Ministerial control.

Peculiar

All this does not mean that Mr. Wilson's successor is going to trample all over his colleagues immediately. The peculiar situation in which the Labour Party now finds itself and the accidents of time and generation have obscured the underlying accretions of Prime Ministerial power. Mr. Wilson's fourth administration unlike his first and second has been a medieval monarchy in which the throne has been surrounded by a group of powerful feudal barons. The kingdom and certainly the King—could not survive an attempt to force every issue. The King, getting on in years, had lost some of his will to impose himself upon the peers. His successor, having no sanctity acquired by custom, will have to go still more cautiously. But the power is still imminent in the "monarchy" and over a period it must tell.

Letters to the Editor

[N]ationalised [in]dustries

[From] Mr. A. Norris.

[Sir],— As one who worked for [ye]ars as a Whitehall civil ser[vant] dealing with nationalised [indu]stries and have now done [...] years on a nationalised [boar]d, perhaps I may comment [on] Mr. C. Gordon Tether's [colu]mn — "State firms, the seat [of p]ower." (March 23).

[It] is tendentious to open the [...]ing by suggesting that the [...] purpose in nationalising [the u]tilities was to protect them [from] "the machinations of the [capit]alist system." The facts [are] that the gas and electricity [indus]tries had reached a stage [of de]velopment where the advan[tages] of national integration [were] becoming evident. There [was] already a nucleus of the [nation]al grid for electricity, and [the] potential benefits of a [grea]ter co-ordination of gas sup[ply] had been brought out by [the Mc]Gowan Report. Both these [indust]ries had been developed, [prior] to nationalisation, by pri[vate] enterprise and municipal [under]takings to standards which, [their] leaders, were widely ad[mired] and formed a sound basis [for na]tionalisation. In the case [of th]e railways a comparable [case] of national integration had [been f]oreshadowed by the amal[gamati]on of companies.

[Mr.] Tether lays further [...] work with the totally erro[neous] statement that the ground [...] associated with Herbert [Morris]on have "hardly been [...]ed" during the past 30 [years]. The facts are that in the [19]50s the Select Committee [on Na]tionalised Industries was [establi]shed after exhaustive con[sidera]tion of its relationship [to th]e Morrisonian guidelines [and th]e responsibilities of Minis[ters to] Parliament. Then in 1961 [the Wh]ite Paper "The Financial [and Ec]onomic Obligations of the [Nation]alised Industries," Cmnd. [...] was presented to Parlia[ment. I]n 1967 a second White [Paper, "A] Review of Economic [and Fi]nancial Objectives," Cmnd. [...] was presented. These docu[ments] were considered state[ments] of policy by Governments [of the] two leading political par[ties a]nd were specifically in[tended] to up-date and redefine [the rol]e of the nationalised in[dustrie]s.

[Guid]elines

[Mr.] Tether goes on to suggest [that t]he Morrison guidelines [should] be discarded and that the [nation]alised industries should [become] merely operational units [under] Departmental direction. [My opi]nion, based on experience [of the] capabilities of the Civil [Service] and of governmental [change] at intervals of five years [or so,] is that this is a recipe [for m]ass misuse of resources [and mi]smanagement to a level [never] reached in our economy. [Certain]ly this sort of arrange[ment w]ould make it quite im[possibl]e to recruit any talent [for the] top management of the [industr]ies. It leads only to the [conclus]ion that the industries [would] become "second tier" [civil s]ervice. The implications [for in]dustrial relations and [commer]cial policy, to mention [only tw]o of the main functions, [are diffi]cult to contemplate.

[Any se]rious student of the 30 [years] since nationalisation [might] very well reach the con[clusion] that the Morrisonian [guidelin]es were fundamentally [sound] and that the industries [made] most progress when [workin]g under the guidance of [succ]essive White Papers. [He mi]ght also note the de[terioratio]n and confusion which [have de]veloped since, both par[ties hav]e tried to use the indus[tries as] tools for manipulating the economy. He might further find it difficult to establish that these manipulations have produced any benefit commensurate with the damage done to the industries concerned.

It is to be hoped that the review soon to take place will start with an unprejudiced assessment of how the White Papers operated during the period when they were allowed to operate; thereafter any changes thought necessary should be a subject for consultation with those managing and employed in the industries affected. When revised guidelines are determined they should be regarded as for the discipline of Governments as much as for the discipline of the industries. It will then again become possible to find able volunteers for top management and progress will be resumed towards providing the customers with the high efficiency service which they have a right to expect. So long as responsibilities remain confused there is no true accountability.

A. H. Norris.
Southwood,
Riding Mill,
Northumberland.

A tale of no account

From Mr. M. Greener

Sir,—The banking fraternity has, for some considerable time, been afforded certain privileges as to information disclosed in annual returns on the grounds, disputed by some members of the Jenkins Committee, that such disclosure would be detrimental to the public interest. It would be interesting to hear the reason why such protection is extended, "de facto," if not "de jure," to the organisation known publicly as "Access" and legally as "The Joint Credit Card Company."

This company was formed by the three big banks that failed to think of the Barclaycard first. It is a private company with a share capital owned equally, so far as the equity is concerned, by the Midland Bank, Natwest and Lloyds. What matters is that it is not a bank but a commercial venture and, by virtue of being a private company and not strictly a subsidiary of any of its three owners—who also control the Board—need not publish its accounts for public scrutiny. Although it differs from the Barclaycard organisation by being a legally separate company rather than a division of one bank, both could be tarred with the same brush in so far as Barclays does not seem to wish the dealings of its offshoot to be known either—there is no mention of the Barclaycard service in the published accounts of the bank.

The law provides that companies such as Access should file an annual return for the scrutiny of those who have time to inspect the files at Companies House, but anyone doing so would be better advised to seek some other manner of wasting his time. Annual returns, in theory, give information to the man in the street. In this instance they merely cloud the issue further. The most he would learn would be that the "Joint Credit Card Company" in its latest return, that is, for the year to March, 1975, enjoyed a turnover of some £7.7m., made a profit of nil and, on that phantom profit, found it necessary to provide for corporation tax of £125. After many other taxation adjustments couched in tortuous language it carried forward a loss of £73,164 into the following year. Nothing of this is mentioned in the reports of the participating banks.

As one must assume that the banks concerned are not behaving in a manner so uncharacteristic as to deliberately back a losing horse, one can only conclude that there is more in this than meets the eye. Would it be too much to ask that those who have a virtual monopoly of the banking business in this country should be a little more open in their dealings and in their disclosures?

Michael Greener.
9, Romilly Park, Barry, Glam.

Organisations for small firms

From the Secretary, British Association of Metal Finishers.

Sir,—I refer to the letter from Mr. Stevenson (March 24) regarding yet another organisation for small firms.

My own company is a member of several organisations, including the CBI Chamber of Commerce, Association of Independent Businesses, etc., but we feel that these organisations do not serve any particular trade. Our own organisation, which is small indeed: comprising metal finishers mainly from Lancashire and Yorkshire, meets monthly and at these meetings we discuss many problems which are peculiar to the industry that we work in. No other large organisation could serve such a purpose. We are therefore of the opinion that small trade organisations are very essential.

F. Spicer.
Roundhay Metal Finishers (Anodisers).
Providence Works,
Smithies Moor Lane, Batley.

Speaking with one voice

From Mr. C. Simeons.

Sir,—Having delivered his commercial (March 24) for his own organisation I agree with Mr. Stevenson that small firms need one voice to be effective.

Specialist organisations usually have a local role applicable to a particular trade or industry which they do well. The CBI certainly cannot be seen to be the voice of small business because it derives its strength from big business nor can it speak for all those it claims to represent at the same time. The TUC occupies a similar position which is the reason why Government likes talking to both. In the ultimate they represent no one identifiable group as the TUC view on Europe showed clearly.

But if all 800,000 small businesses came into association to speak together at national level the Government of the day would have a very rough ride and the voice of small businesses really would be heard.

C. Simeons.
21, Ludlow Avenue,
Luton, Beds.

Consumer alarm

From The Baroness Phillips

Sir,—David Mitchell (March 23) is not alone in registering alarm about the proposal to tax gas. This Alice-in-Wonderland notion, apparently put forward on the grounds that gas is "too cheap," has prompted consumer organisations, once they recovered from their initial astonishment, to register the strongest possible protest. The overriding need is to keep prices down, not force them up artificially, and the Government must stand firm against this cock-eyed, indeed dangerous, piece of muddled thinking.

Phillips.
National Consumer Council,
18, Queen Anne's Gate, S.W.1.

The price of gas

From Mr. K. Markland.

Sir,—In echoing the sentiments expressed by Mr. David Mitchell, MP, in his letter (March 23), might I add that it would doubtless be most comforting for the electricity and coal industries to take advantage of any imposed rise in gas prices. In view of their lamentable records to date, however, it is doubtful whether they would be capable of capitalising upon such divine intervention.

Despite the gas industry's effective — some would say, superior — all-round management/worker performance, its average per-capita salary/wage bill still lags behind its equivalents in the other two industries. Achieving parity of remuneration for all concerned would, therefore, appear to be one way of ensuring that gas prices increase or conversely, that electricity and coal prices decrease without having to resort to additional taxation and all that that implies.

One can only hope that the chairmen of both electricity and coal, presumably fair-minded men cognisant of our parlous economic state, will now modify their views in the interests of sanity and those who foot the bills.

Keith P. G. Markland.
Brookside, Curly Hill,
Ilkley, West Yorkshire.

Attracting passengers

From Mr. E. Dring.

Sir,—I regret having to bring the problem of the railways before your readers in yet another guise, however, I believe that comment is required on the following information recently gained concerning fare structures.

A first class single fare from Euston to Northampton costs £3.80, a return fare £7.55, but a day return fare only £4. How is it that British Rail can carry a passenger on one day for the equivalent of 20p, and on another, just because he overnights, for £3.75.

It can, in my opinion, only mean that British Rail could make a profit and attract passengers at the lower rate but believes it contrary to the public interest so to do and therefore charges the higher rate to frighten off passengers.

The only alternative is that the Railway Board requires a good cost accountant to run its affairs.

E. R. Dring.
Burton,
35, Tadorne Road,
Tadworth, Surrey.

Equity bank

From Mr. O. Lee

Sir,—I found the analysis of the equity bank made by Mr. Viggers (March 24) impeccable but consider his conclusion to be wrong. I agree that the fault at present is in the underlying assumption that the level of profits on industrial investment is satisfactory. It is not and has not been for at least 15 years. What, then, can be done about it?

By attaching managerial action strings to their investments, institutions could ensure that "their" companies make adequate profits, because in the last resort they can get their way by threatening to call in their loans as the NEB is doing at British Leyland. Where institutions provide equity, however, the position is not so clear cut and to exert any real leverage they might have to work through one or more non-executive directors. There are ways of doing this without direct involvement or interference.

As I understand it, the proposed equity bank will be able to adopt both these approaches and in my view should be set up as quickly as possible, if only to show the City and the country how to ensure that positive investment in industry can be made to earn its fair reward whereas current passive investment does not. It is high time that he who pays the piper should begin to call the tune. Prospective participants and customers might prefer to get money without strings, but it is not at all certain that it is to their and the country's best interests for them to continue to do so.

O. R. J. Lee.
Cresta,
5, West Side Common,
Wimbledon, S.W.19.

Local authority services

From Mr. B. Feldman.

Sir,—Geoffrey Drain's response (March 19) to my letter on the privatisation of less essential local authority services was as predictable as it was confused.

He makes the quite unwarranted assertion that local authorities inevitably provide cheaper services than private contractors. I would make two points here. The first is that the cost to the ratepayer of paying for privately run services must, per se, be less than the cost of running services controlled by local authority monopoly, otherwise the local authority would not have accepted more expensive private tenders.

Secondly, what will emerge from this exercise in privatisation will be the comparative *true* costs of running local services. After all, the private contractor will have to calculate and state the true cost of the operation to his business, or he risks bankruptcy. The same calculations and statements will also have to be made by local authorities, who will have to face up to their sizeable expenditure on servicing the interest on their borrowing, direct and indirect overheads, maintenance and depreciation of plant and machinery, etc. The emerging picture could well be very different to the one painted by Mr. Drain.

Of course Mr. Drain is right in saying that local services cater for public need. What he fails to say is that in order to satisfy that public need the public are at present paying well over the odds for depleted and less efficient services. My point is simply that with the introduction of a scheme of subcontraction to private firms, competing against each other for contracts, and by agreement using local authority men and machinery, the ratepayer would enjoy better and more regular services as well as a reduction in the rate. Profit is not the guiding principle in my suggestions: my concern is for the hard-pressed ratepayer.

Basil Feldman.
Housing Management Committee,
The County Hall, S.E.1.

To-day's Events

GENERAL

Security Council begins debate on charges that South Africa committed aggression by sending troops to Angola.

Mr. Anthony Wedgwood Benn, Energy Secretary, speaks at Labour Party rally, Harlow.

CBI State Intervention Committee meets.

Mr. Alex Park, chief executive, British Leyland, speaks at Foreign Press Association lunch, London.

Industrial Society conference on Employment Protection Act, Mayfair Hotel Theatre, W.1. Speakers include Mr. Albert Booth, Minister of State, Employment, Mr. Jim Mortimer, chairman, Advisory, Conciliation and Arbitration Service, and Mr. Clive Jenkins, general secretary, Association of Scientific, Technical and Managerial Staffs.

Sir Alan Marre, Parliamentary Commissioner for Administration (the Ombudsman) is among speakers at seminar on "A Bill of Rights for Britain," Polytechnic of Central London.

PARLIAMENTARY BUSINESS

House of Commons: Private Members' motions.

COMPANY RESULTS

Beatson, Clark and Co. (full year). Philips' Lamps Holdings (full year). Yorkshire Chemicals (full year).

COMPANY MEETINGS

Allied Insulators, Stoke-on-Trent, 11.30. Bamfords, Uttoxeter, 12. Brunner Investment Trust, 20, Fenchurch Street, E.C., 11.45. Delyn, Caerphilly, 12. Dew (G.), Manchester, 12. Goode Durrant and Murray, Durrant House, E.C., 10. Henlys, 385-7, Euston Road, N.W., 12. Hill and Smith, Birmingham, 3.15. Scottish Agricultural Industries, Edinburgh, 12. Scottish United Investors, Glasgow, 11. Silentbloc, Crawley, 10.30.

BALLET

Royal Ballet dance The Dream, Apollo, and The Concert, Covent Garden, W.C.2, 7.30 p.m.

Scottish Ballet production of Tales of Hoffmann, Sadlers' Wells Theatre, E.C.1, 7.30 p.m.

COMPANY NEWS + COMMENT

Bernard Matthews recovery to £1.05m.

FOLLOWING A record second half, the substantial recovery forecast for Bernard Matthews, Norwich-based turkey producers, has emerged as a pre-tax profit of £1.05m. for the year 1975, compared with a loss of £729,000 in 1974—and chairman Mr. B. T. Matthews forecasts a further substantial improvement in profitability this year.

The 1975 forecast was made at the interim stage, when there was a pre-tax profit of £42,000, against a loss of £542,000 in the first six months of 1974.

Stated earnings per 25p share for the year were 11.8p (loss 8.89p) and a final dividend of 6.0075p net makes a total of 7.5075p. No dividends were paid last year compared with a 7.147p total in 1973.

	1975 £	1974 £
Sales	9,797,000	5,891,000
Profit	1,192,000	*464,000
Interest	140,000	265,000
Profit before tax	1,052,000	*729,000
Tax	580,000	†175,000
Net profit	472,000	*556,000
Dividends	500,500	—

* Loss. † Credit.

Conditions in the second half continued to improve and the year ended with a bank balance of £304,000 compared with an overdraft of £1.80m. at the end of 1974.

In January, the group purchased Armour Le Grys and also sole user rights to the Armour butter basting process. The adjusted profit before tax for this company for 1975 was £278,000.

On the basis of the combined results of Matthews and Armour Le Grys for 1975, but after charging notional interest on the cash consideration and taking corporation tax at 52 per cent., earnings per share would have been 15.25p.

The Great Witchingham factory is now licensed to export turkeys to countries within the EEC and this will greatly expand the potential market for products and "significantly" increase exports this year.

Selling prices are firm and forward orders are well ahead of this time last year. Bernard Matthews and Armour Le Grys are trading profitably and the chairman looks forward to a substantial improvement in profitability from both.

● comment

Bernard Matthews shares have been a strong market of late rising from 37p at the interim stage to 88p ahead of the results but the figures, revealing a £1.78m. turnround to profits sent the shares 12p higher to 100p where the yield is 12.3 per cent. The recovery reflects better turkey prices (they have risen by about 20 per cent. in six months), at a time when there has been more stability in feed costs, together with some streamlining: the workforce was reduced by a third to 313 while stocks at £1.22m. were some 35 per cent. lower. Feed costs are again moving higher but the company has bought forward to September and selling prices of turkeys have remained firm. Moreover demand is currently strong and with the aid of the Armour Le Grys acquisition the company is aiming to produce 4m. birds this year against 2.7m. in 1975.

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significant strength in Europe. This process would continue, said the chairman.

Sedgwick Forbes

Although too early to draw any conclusions, Sedgwick Forbes had made a satisfactory start to the current year, reported Mr. I. H. F. Findlay, chairman, at the annual meeting.

He told members that it was the policy to extend services as opportunity offered into promising new areas. Into that category fell the Middle and Far East areas where the group had spent a considerable amount of time and effort in laying the plans for the ventures where it was now established on the ground and in business.

The result of the EEC referendum had assisted materially in developing the group's already

No final by Central Wagon

GROUP PROFIT, before tax of Central Wagon Company slumped from £2.04m. to £0.51m. in 1975, subject to writing £0.5m. off goodwill.

When reporting first half profit down from £1.05m. to £0.78m., the directors forecast a maximum permitted final dividend. But in view of the write-off, relating to the original purchase of the transport service equipment division, coupled with the results for the year, the directors are not able to recommend a final. An interim of 0.6p net per 25p share has been paid. Last year's total was 2.05p.

The directors report that liquidity is sound and the company is operating within its bank facilities.

It is too early to take a view in respect of the current year but with the beginning of an upturn in the general level of business activity, the reorganisation and closure of one of the Leeds factories and the expected completion of the Spanish tube mill, 1976 "should produce an improvement over 1975," they add.

	1975 £000	1974 £000
Company and subs. sales	17,179	20,145
Attributable assoc.	6,794	6,018
Total sales	23,973	26,163
Company and subs. loss	82	*1,205
Share associates	592	832
Pre-tax profit	510	2,037
Company and subs. tax	5	706
Associates tax	319	452
Net profit	186	879
Off goodwill	500	-156
Net loss	314	*1,035
Dividend	75	256
Deficit	389	-779

* Profit. · Extraordinary credit. Credit retained.

The directors say there were three principal reasons for the sharp decline in profits.

The downturn in mild steel stockholding was more severe than anticipated, reducing second half margins to minuscule proportions, and poor productivity at two hydraulics factories in Leeds and a five-week strike caused heavy losses in this division.

The third cause was delay in obtaining planning permission for erection of the tube mill in Spain which meant the anticipated start up time had to be postponed by eight months, resulting in a loss of projected revenue and incurring further financing costs.

In contrast to the three major setbacks other companies in the group performed "very well."

● comment

Central Wagon's disastrous second half included a £350,000 turnround to trading losses at the strike torn hydraulics concern in Leeds: this being the major factor in the overall 75 per cent. pre-tax profits decline. Even allowing that 1974 was exceptionally good, a swing to a hefty loss in the second half comes at a blow—at the interim stage the company forecast a maximum final dividend. Steel stockholding has yet to see an upturn in business while the costs of mounting the Spanish tube mill venture have increased with the postponement of the projected starting date to the early summer. If there is no further delay here, this project coupled with the closure at Leeds will be some boost in the current year. But meanwhile, the financial position is very tight. Borrowings are substantially higher to finance a deliberate increase in stocks (before the steel price increases) and last year's gearing was already 100 per cent. but before the goodwill write-off. Interest charges were around £460,000 last year. The shares at 23p yield 4 per cent. covered 2.5 times before the extraordinary item.

Bruntons turns in £1.69m.

PRE-TAX PROFIT of steel wire manufacturers, Bruntons (Musselburgh), decreased from £1.76m. to £1.69m. in 1975 after a sharp downturn from £0.87m. to £0.74m. in the first half. The year's profit includes extraordinary income of £95,709.

Turnover was £7.21m., against £7.81m., including exports up from £0.91m. to £1m.

The level of activity in the various divisions hardly altered from that reported in the interim statement last October except that there is an increase in the demand for steel strip.

It is, however, too early to say how much of this increase is due to the BSC's announcement that steel prices will be raised at the beginning of April, the directors state.

As forecast a second interim dividend of 3.1899p lifts the net total from 5.342p to a maximum permitted 5.7008p net per 25p share. Stated earnings per share were 10.48p against 10.25p.

	1975 £	1974 £
Home market sales	6,203,196	6,899,690
Export market	1,004,210	912,088
Total external	7,207,406	7,811,787
Trading profit	1,640,978	1,792,944
Depreciation	88,533	67,899
Directors' fees	2,500	2,806
Staff pension premium	20,682	16,746
Investment income	69,770	32,952
Extraord. income	95,709	—
Profit before tax	1,693,843	1,759,471
Taxation*	865,590	839,271
Tax underprovision	5,412	16,925
Net balance	832,841	903,275
Future pension prov.	—	50,000
Centenary fund prov.	20,000	—
Dividends	456,064	427,360
Forward	356,777	325,915

* Including £143,000 (£56,550) deferred.

Turnover and profits were affected not only by the recession but by an unofficial strike which stopped production for seven weeks in April/May. However, benefit came from stock appreciation which amounted to £62,300 more than in the previous year. Further benefit came from extraordinary income comprising an interest relief grant of £39,100 on capital expenditure and a capital gain of £56,609 on the maturing of £567,360 Savings Bonds—the latter is not subject to tax.

● comment

Excluding both extraordinary income and the increased incidence of stock appreciation, Bruntons has managed a small increase in second-half profits, after a comparable fall of 26 per cent. at the strike-bound halfway stage. These two items have cushioned the fall in pre-tax profits to 3½ per cent., and a 3½ point drop in the tax charge to 51 per cent. has left earnings unscathed. The wire and wire ropes divisions are still seeing good demand from their traditional markets—mining and the North Sea—while the contract for temporary and permanent ropes for the Humber Suspension Bridge is a useful addition to the workload. The steel strip mill, having worked at one half capacity last year, has picked up pace ahead of the April steel price rises. Liquid balances, a sixth of capital employed at the last balance sheet are apparently as strong as ever, and a yield of 8.9 per cent. at 99p is covered 1.8 times.

Crane Fruehauf pays 0.89p

GROUP PROFIT, before tax, of commercial vehicle body manufacturers, Crane Fruehauf, contracted from £1,952,000 to £111,000 in the year to December 27, 1975.

The 1975 figure reflects a profit of £408,000 in the second half eliminating the loss of £297,000 for the first half.

Despite the poor results the directors have decided to raise the dividend from 0.831p to 0.88679p net per 10p share with a maximum permitted final of 0.43679p.

Turnover at £33.68m. was slightly down in monetary terms but the real volume of output showed a much sharper fall, the directors state.

	1975 £000	1974 £000
Turnover	33,678	35,376
Operating profit	111	2,202
Special provision	—	250
Profit before tax	111	1,952
Taxation	136	1,090
Net loss	27	*862
Minority	181	104
Attributable loss	208	*758
Dividends	137	128
Forward	4,372	4,717

* Profit.

Because of the fall in the value of the pound a loss of £112,000 has been written off relating to a Eurodollar loan. It has been assumed that this will not be allowable for corporation tax and this is the main reason for the disproportionate tax charge.

● comment

As expected depressed trading conditions in the commercial vehicle and trailer markets has sent Crane Fruehauf's full year operating profits (adjusting for the Euroloan write off) tumbling down to about a tenth of the previous year's level. But there is a considerable recovery trend within the second half. The first six months bore the full brunt of the redundancy and moving costs as CF adjusted to the lack of demand. The resulting lower overheads combined with a modest recovery in the U.K., and particularly strong export sales (doubling to a quarter of annual turnover) has lifted second half pre-tax profits to £520,000. The current year will still be difficult, and borrowings remain around £3.6m. So it would be unrealistic to expect too much this year and extending the last six months' trend forward to say £1m. for 1976 may prove to be optimistic. Meantime, the shares eased 1p to 20p where the uncovered yield is 6.9 per cent. and the group's market capitalisation £8.1m.

Ashley Ashwood

Mr. Bernard Scott, chairman of Lucas Industries, who yesterday reported first-half profits up by £8m. to £21m. and forecast that this improved trend would continue for the second half.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Australian Agricultural	Nil	—	Nil	Nil	0.79(b)
Wm. Bate	2.8	—	2.45	3.85	3.5
Bentima	1.74	May 14	1.58	1.74	1.58
Black & Edgington	2.88	—	1.99	5.63	6.47
Bruntons (Musselburgh) 2nd int.	3.19	April 30	2.99	5.7	5.34
A. F. Bulgin	0.66	July 1	0.6	1.08	1.02
Central Wagon	Nil	—	1.45	0.6	2.05
Crane Fruehauf	0.44	June 25	0.38	0.89	0.83
Eucalyptus Pulp int.	1.5	April 5	1.5	—	4.02
A. Gallenkamp int.	2.0	May 21	1.78	—	4.14
J. Hewitt	0.84	May 5	0.79	0.84	0.79
Ingall Inds. int.	0.56	May 18	0.53*	—	1.45
Liverpool Post	3.72	April 30	3.48	5.91	5.54
Lucas int.	1.52	—	1.38	—	5.26
Magnolia Manufacturing	1.52	May 28	1.43	2.2	2.06
Bernard Matthews	6.01	May 11	Nil	7.51	Nil
Nth. Broken Hill int.	3.5(a)	June 7	3.5	—	9
Pittard Group	2.13	May 14	1.92	3.38	3.17
Pressac int.	0.76	May 20	0.69	—	2.19
Prudential Assurance	3.41	May 27	3.07	5.41†	5.07
Royal Worcester	3.25†	—	2.59	5.2	3.74
F. W. *Thorpe* int.	0.55	—	0.5	—	1.19
TPT	1.92	May 17	1.74	2.92	2.74
Winsor & Newton	3.02	—	4.56	7.02	6.38

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. (a) Australian cents. (b) For 14 months to end 1974.

Setback at Royal Worcester

DESPITE A rise in sales from £16.6m. to £19.12m., pre-tax profits of Royal Worcester fell from £2,236,000 to £1,235,000 in 1975, after £688,000, against £1,008,000, for the first half.

The directors say the group is soundly based and "will recover strongly" when the economy improves.

After tax down from £1,129,000 to £589,000, earnings are shown at 12p against 22.9p per 25p share. As forecast when the one-for-four rights issue was proposed last August, the final dividend is 3.25p net, on the increased capital, for a 5.2p compared with 3.74p total. Treasury consent has been given for the increase.

	1975 £000	1974 £000
Sales	19,119	16,599
Table, etc., ware	9,215	6,992
Indust. ceramics	1,264	1,330
Electronics	8,640	8,277
Profits before tax	1,235	2,256
Table, etc., ware	734	910
Indust. ceramics	195	305
Electronics	303	1,041
U.K. tax	457	1,046
Overseas tax	102	83
Net profit	646	1,127

The chairman, Sir Ronald Fairfield says the severe recessionary conditions produced a reduction in volume in industrial ceramics and electronics. An increase in volume was achieved by the table and ornamental ware subsidiaries: but market resistance prevented increased costs from being fully recovered in selling prices.

Performance of Welwyn Electric (principal electronics subsidiary) was further aggravated by the "drastic downward revision" in the investment policy of the Post Office.

● comment

Although the bulk of the downturn in Royal Worcester's 1975 profits has been on the electronics side—profits are 70 per cent. lower here—the most surprising feature is the poor performance of the tableware and ornamental division where profits fell by a fifth on a five points drop in margins to 8 per cent. Following the recent figures from Wedgwood the market clearly expected something better from here and the shares dropped 8p yesterday to 116p. However, this sector should be first to experience a recovery. North American demand for porcelain and fine china already seems to be improving while in the U.K. the group has recently been able to make some price increases. With the electronics side largely dependent on an increase in P.O. spending an improvement here could still be some way off and the same applies to industrial ceramics which seems to be waiting for a major revival in capital investment. An overall recovery then is a long term prospect and the yield of 7.1 per cent. (more than twice that of Wedgwood) seems to be taking account of this.

Pittard tops £1m.—50% scrip

TAXABLE PROFIT of leather tanners and dyers, Pittard Group, doubled from £0.5m. to £1.01m. during 1975 after being up from £267,132 to £371,077 in the first half.

And if forecasts of an upturn in the British economy in the latter part of the year prove correct, chairman Mr. D. W. Pittard says, group results should reflect this revival "and 1976 will be better than 1975."

Stated earnings per 25p share are up from 4.6p to 10p and a final dividend of 2.134375p net makes a maximum permitted total of 3.384375p, against 3.1715p. A one-for-two scrip issue is proposed.

	1975 £	1974 £
Sales	10,360,030	9,115,007
Pre-tax profit	1,012,692	496,221
Tax	522,579	272,155
Net profit	490,113	224,066
Dividends	165,327	154,925

● comment

Pittard Group's profits rose by 104 per cent. on the year to just below the 1973 level. This was after a 13.6 per cent. rise in sales. The first signs of real growth, however, occurred in the second half where profits rose some 27.5 per cent. on 1973 levels. The main area of growth has been on the export side, which now contributes 50 per cent. of sales, against 40 per cent. a year ago. The EEC markets have been especially rewarding and the company is expanding its overseas outlets to Japan and Russia. At home, the troubled Leeds factory is now fully operational but is still short of orders. Still, with the new 50 per cent. price rise in Brazilian leather, there could be further improvement on the home side. The yield on the shares at 82p is just over 6½ per cent. covered 3 times.

Second half surge at Wm. Bate

IN SPITE of difficult trading conditions during the first six months, a second half improvement from £124,187 to £223,154 at William Bate (Holdings) results in a maintained 1975 total pre-tax profit of £329,665, compared with £326,655.

The finances of the company "are sound" and Mr. Edward Rose, chairman, is confident that the 1976 results will show an increase.

Dividend total is up from 3.5p to 3.85p net, with a final of 2.8p per 20p share.

For the current year, Mr. Rose says the first quarter results from all subsidiaries are "most satisfactory" and later this year the company will be introducing and supplying new diversified products which will have a considerable trading potential.

The company is also looking for suitable acquisitions complementary to existing activities.

Based in the West Midlands the group is engaged in the processing of metal in coil form, electro plating, motor car and off highway vehicle components.

BTR opposes Silentbloc changes

BY MICHAEL LAFFERTY

OPPOSITION TO proposed changes in the Articles of Association of Silentbloc Holdings is likely to be expressed at to-day's extraordinary shareholders meeting by BTR, which holds a 27 per cent. stake in the company.

Mr. C. F. Whitehorn, who is chairman of Silentbloc and chief legal officer with Prudential Assurance, confirmed last night that BTR had lodged a proxy against the adoption of the new Articles "without any prior consultation with the company."

"Upon enquiry, BTR put forward no rational grounds for this opposition. They are still considering the matter and have promised to let the company know their position before the meeting," he said.

Among the changes which BTR are thought likely to object to are an Article which would make it possible for a director to be voted off the Board by his fellow directors, and another Article which would make it possible for any number of executive directors to be appointed without coming up for re-election.

But Mr. Whitehorn, who was appointed chairman of Silentbloc at the initiative of the Investors Protection Association and the British Insurance Association, points out that the company has only one executive director at present, and there are no plans for appointing any others.

As far as the proposal by which executive directors do not retire by rotation was concerned, he maintains that the existing Articles contain a similar provision "and BTR has never communicated any opposition to it."

He added: "As far as I know there is no reason for the company to wish to remove any director."

ISSUE NEWS

J. Lyons—rights a[nd] enfranchisement

J. Lyons proposes to enfranchise its non-voting "A" shares and raise £10½m. by a rights issue, and forecasts a profit before tax and exceptional items of not less than £10m. against £6.64m., for the year ended March 26, 1976.

In order to compensate voting holders for the enfranchisement, it is proposed to issue to them one new Ordinary share for every £10 Ordinary stock or Proportional Profit stock or every 10 "B" 50p Proportional Profit shares held on March 17. Shareholders may elect to receive in lieu of Ordinary shares one warrant for every £2 Ordinary stock or Proportional Profit stock, or every two "B" Proportional Profit shares.

The directors also propose to replace each £5 of Proportional Profit stock and five "B" Proportional shares with £1 of Ordinary stock.

The rights issue is of 10,431,457 "A" £1 shares at 105p each to raise £10½m. which will be used to reduce the level of indebtedness. Though some £14m. of property was sold during last year borrowings have been aggravated by the depreciation of sterling on substantial foreign currency debt. The directors wish to lessen the group's exposure to exchange movements by reducing foreign borrowings.

Basis of allotment for ... on March 17 will be as ... one new share for every ... Ordinary, "A" and Em... "A"; one for every £15 ... portional Profit and ev... "B" Proportional prof... shares; and one for every ... of Convertible Loan stoc...

Dealings are expected ... mence on April 13. The ... underwritten by N. M. Ro... and Sons, and broke... Laurence Prust and Cazer...

Lyons' profit estimate o... is before exceptional item... net debit of £2.5m. ag... credit of £2.6m. Also, the ... overseas interests are co... to perform strongly, wh... lead to a higher tax charg... ings per share dis... exceptionals are not le... 12p (7.1p) or 3.8p (15.7... exceptionals. The Board ... to recommend a final divi... Ordinary and "A" sh... 5.335p to make a maintain... of 7.572p per share net.

For the future the ... states that exceptional de... not expected to be si... after the current year wh... will be reduced. The ... believe that Lyons is wel... to respond profitably to ... turn in consumer spendi...

See Lex

Gallenkamp upsu[rge]

FIRST HALF sales of A. Gallenkamp and Co. increased from £9.42m. to £11.38m., and pre-tax profits advanced from £1.04m. to £1.89m.

Current trends are not indicative of any general upturn in the U.K. demand for laboratory apparatus or scientific educational equipment, and major business opportunities for the group in many overseas markets are becoming more sporadic.

It is consequently increasingly difficult to predict longer term developments, but there can be "little doubt" that results for the year to June 30, 1976 should show an improvement on those of 1974/75, says the chairman, Mr. Peter Hallett. Last year's profit was £2.49m. on sales of £19.91m.

Basic earnings per 25p share for the half year are shown at 13.72p (7.65p) and fully diluted 12.57p (7.18p). The interim dividend is raised from 1.781p to 2p net, costing £131,449 (£117,055). Total for 1974-75 was 4.138p from basic earning 17.8p, fully diluted 16.6p.

Home sales were of similar value to U.K. turnover for the comparative six months of 1974. Achievement of the group sales objective therefore result... the planned increase of ... which represent appro... 40 per cent. of the total ... and contributed "very ... cantly" to the profit ear... ing the half-year, says Mr. ...

	Half-year 1975 £000	
Group sales	11,384	[illegible]
Profit before tax	1,885	[illegible]
Taxation	980	
Net profit	905	

● comment

The continued buoyancy ... seas activities, exports ... per cent to account for ... of total sales, pushed A... kamp's interim pre-tax p... by 82 per cent.: home ... remained depressed. How... second half has starte... uncertain note with ... demand turning erratic. ... export order books are ... healthy and Gallenkam... be able at least to maintai... half profits at £1.5m. T... price rose 10p to 138p, w... prospective p/e is 5½ and ... 5.2 per cent. already ... three times by interim

Statement Page ...

ucas ahead £8m. midway -progress to continue

HE FIRST six months (ended ary 31, 1976) profits of Lucas stries, the aircraft and le accessory group, jumped lmost £8m. to £21.04m., and man Mr. Bernard Scott says pects the improvement to be ained in the second half. half sales were ahead from £m. to £327.45m.

the sales increase, £34m. was me and £24m. overseas; and increased profit, home com- s produced £13m. and over- £m.

	First half 1975-76	First half 1974-75	Year 1974-75
al sales	327,452	289,421	579,180
g surplus* ...	24,314	15,492	38,538
of assocs. ...	1,187	1,275	2,568
. income ...	25	35	170
r	26,026	16,712	41,277
. payable ...	4,668	3,626	8,937
before tax ...	21,458	13,086	32,340
n	10,744	6,226	15,720
ofit	10,294	6,860	16,620
ies	369	196	311
table	9,925	6,664	16,309

r depreciation £8,716,000 (£8,109,000 1,806,000).

esearch and development expendi- ncurred during period has been f in arriving at profit.

Scott reports that all ns of the business contri- to the improvement. The ft equipment business, as ist, is doing better, and the demand for diesel engine ment, both at home and over- has more than offset the demand of that for cars.

lower rate of inflation in K. and stable industrial re- s have also been "significant s."

prospects for the year the an says the upward trend has been evident in most e group's overseas markets een slow to appear in the but there are now definite of a beginning of a recovery. inst this background he ts the strong overall demand existed in the first half to ue, unless some "major unforeseen and unfavourable events emerge the improvement in our performance will be maintained," declares Mr. Scott.

Earnings per £1 share are shown to have improved from 9.46p to 14.10p The net interim dividend is stepped up from 1.376p to 1.5158p a share. Last year's total was 5.2552p, paid on a record pre-tax profit of £32.34m.

See Lex

Winsor & Newton growth

THE USEFUL advance in profit forecast by Winsor and Newton turns out to be from £821,575 to £912,544 in 1975, after £346,000, against £253,000, in the first half. Turnover for the year expanded from £6.45m. to £8.04m.

The flow of orders, home and export, in 1976 remains buoyant, and the company—manufacturers of artists' materials—looks forward confidently to achieving "even better results this year," the directors state.

Net profit for 1975, after tax of £509,435 (£448,290), was £403,109 against £373,285—stated earnings per 25p share 18.8p (12.7p). The dividend is stepped up from 6.575p to a maximum permitted 7.015p net with a final of 5.015p. Cost of the dividend is £205,399 (£192,516).

John Deere

A 36 per cent increase in agricultural machinery sales is announced by Nottingham-based John Deere for the first quarter of the financial year.

Over the whole range, net sales rose 27½ per cent. compared with the same period in the previous year reflecting a decrease in sales of industrial or construction machinery.

The agricultural division has remained buoyant and demand for tractors has been somewhat in excess of ability to supply. Recently, however, the number of tractors available has increased and this has expanded the company's market share.

Mr. D. M. Walker, managing director says "agricultural business would appear to have excellent prospects in the immediate future, particularly in view of the improved prices negotiated in Brussels at the recent farm price review meeting."

Mr. Walker referred to the depressed development of business in the industrial machinery field. He hoped, however, that the introduction of new machines this year would create a wider market and assist in increasing the share of what is at present an "unusually small" potential.

Magnolia earns and pays more

ON SALES up from £2.64m. to £2.83m., group pre-tax profit of Magnolia Manufacturing increased from £506,000 to £531,000 in 1975.

When reporting an unchanged first-half figure of £280,000 the directors said they were hopeful the year's profit would be similar to that of 1974.

In the current year domestic sales are in excess of the same period last year and there are indications of an improvement in the level of the order book compared with last year.

A similar pattern is emerging in export markets and a more balanced and regular flow of orders is being obtained, the directors state. The company manufactures fine art mouldings and imports original paintings.

Stated earnings per 10p share for the year were 14.38p (13.61p) —fully diluted 13.47p. A final dividend of 1.5234p raises the net total from 2.0576p to 2.1957p.

	1975 £000	1974 £000
Turnover	2,824	2,635
Profit before tax	531	506
Taxation	277	264
Net tax credits	—	4
Net balance	254	246
Dividends	39	37
Net retention	215	209

Ingall Inds. falls off in first half

After a substantially reduced interest charge of £17,000 (£100,000) profits of Ingall Industries, funeral furnishers, light engineers and timber merchants, show a fall from £136,000 to £115,000 in the half-year ended December 31, 1975.

The directors explain that reduced activity in the engineering division accounted for the fall in profit. There are, however, some encouraging signs of improvement in the engineering companies which should benefit second-half results.

Earnings per 10p share are stated at 1.1p compared with 1.8p. Adjusting for a scrip issue the interim dividend is raised from 0.525p to 0.56p net and the directors forecast a maximum permitted total. For 1974-75 a total equal to 1.4457p was paid from profits of £287,900.

	Half-year 1975 £000	Half-year 1974 £000
Sales	1,351	2,191
Trading profit	132	236
Interest payable	17	100
Profit before tax	115	136
Taxation	60	71
Net profit	55	65
Interim dividend	28,068	26,252

Concentric redemption

Concentric, the engineering group, is redeeming all the outstanding amount of its 10½ per cent. (formerly convertible) unsecured loan stock at £100 per cent. on April 26.

Under the provisions of the trust deed the stock—nominal value £481,656—can be repaid at any time after March 1976 and before the fixed redemption date.

Mr. D. F. Dodd, chairman, says that following the recent successful rights issue the necessary funds are now available, and it seems prudent to reduce interest charges at the earliest possible moment.

Second half recovery at Liverpool Post

PROFITS OF the Liverpool Daily Post and Echo showed a recovery from £1.24m. to £1.63m. in the second half of 1975 to bring the total for the year up to £2.81m.—a reduction of 8 per cent. compared with 1974. In the first six months a fall of some 33 per cent. to £1.18m. was recorded.

Earnings per 50p Ordinary unit are stated at 12.5p against a 1974 total previously shown at 12.5p, but which has now been recalculated at 11.8p. This arises from the inclusion in 1975 of industrial buildings in the provision for deferred tax in accordance with standard accounting practice, and the corresponding restatement of the 1974 figure.

The dividend is raised by the maximum permitted—from 5.54p to 5.912p, with a final of 3.718p net. The company has "Close" status.

	1975 £	1974 £
Turnover	32,005,882	27,315,575
Trading profit	2,849,548	2,833,082
Other income	149,930	150,414
Associate	8,888	6,061
Profit:—		
Newspapers U.K. ...	959,384	1,389,352
Newspapers Canada	418,005	304,237
Papermkg & pckging	1,145,517	1,128,387
Retail shops	297,162	282,422
Information systems	10,295	*15,031
Profit before tax	2,888,364	2,989,477
Taxation	1,404,683	1,655,964
Extraordinary debit ...	46,321	—
Net balance	1,337,380	1,333,513
Dividends	680,144	627,460
Retained	688,236	706,053

* Loss.

The directors describe the profit as an encouraging one: with every division other than regional newspapers published in the U.K. showing improvement. Tightly controlled costs, effective marketing and the benefit of recent capital expenditure programmes all played their part.

Profits from retailing are up by 13 per cent.; from papermaking and packaging by 1.5 per cent. and from newspaper publishing in Canada by 36 per cent. The results show that the group has widened its areas of profitability. In a difficult year, other trading activities have protected the result. Yet, newspapers remain an integral part of group's activities, and, taking publishing interests in the U.K. and Canada together, account for just under half the total profit.

The daily and weekly newspapers have published at a time when unemployment levels on Merseyside have been often the worst in the U.K. Inevitably this has affected circulation and advertising revenue.

The spread of interests enables the group to continue to develop opportunities identified previously. Financial resources, never weak, have improved significantly during the year.

The group continues its search for added future opportunities and as the nation emerges from recession "we shall resume our growth," the directors declare.

● comment

Liverpool Daily Post's unchanged profits take in a sharp second half recovery, and at this stage hopes are high for a growth year in 1976. The paper and packaging operations moved forward sharply through July to December, and the trading climate for provincial newspapers appears to be easing this year; 1975's industrial disputes will hopefully not recur, and although classified advertising volume remains weak, display (about 30 per cent. of LDP's total advertising revenue) is picking up steadily. Canada should at least hold its own, while LDP's recent retail expansion in the U.K. should keep profits ticking over in this division. At 107p a yield of 8.8 per cent. is covered just over twice, and the group balance sheet is free of debt.

Midterm advance at F. W. Thorpe

Reporting higher turnover and profits for the half year ended December 31, 1975, the directors of F. W. Thorpe feel confident that the present performance will be maintained for the full year.

Turnover in the first six months was up from £965,148 to £1.13m. and profits before tax were £160,404 compared with £136,718. For the year ended June 30, 1975, profits were £278,789 from turnover of £2.09m.

The net interim dividend is 0.55p compared with 0.5p—the previous total was 1.19p.

Despite the present difficult trading conditions, both the home and export order book remain satisfactory, the directors say. The group manufactures "Thorlux" lighting equipment.

Royle City

W. R. Royle and Son, the London printing group, announces the formation of Royle City to handle its fast-growing volume of financial printing.

Peter Royle, a main Board director, will be managing director of the new company and Mr. Eamon Walsh joins the company as sales director.

W. R. Royle, established in 1833, has been involved in financial printing for several years and the volume of this work has now expanded to the point where it becomes essential to form a specialist company to handle it.

Royle City is a "logical and complementary" development and will have available the plant in Wenlock Road (off City Road)—on the doorstep of the City.

TPT down but pays maximum

FROM a sales turnover down by some £1m. at £16.96m. for the year 1975, pre-tax profits of the TPT group fell from £2.9m. to £2.1m., after showing a decline from £1.4m. to £1m. at halfway. Stated net earnings per 20p share for the year were 5.97p against 7.51p.

In view of the continued financial strength of the company, the net dividend is lifted from 2.74p to the maximum permitted 2.92p, with a final of 1.92p.

The year was a difficult one for the world's paper and packaging industries, and in those circumstances the directors consider the results to be satisfactory, says Mr. W. D. Grove, chairman. The economic downturn more so affected the overseas operations, he adds.

However, Mr. Grove reports that in several countries the recession had levelled out before the year end, and overall trading results have shown "some improvement" into the current year.

	1975 £000	1974 £000
Sales turnover	16,955	13,080
Profit	2,156	2,905
Tax	1,069	1,524
Net profit	1,087	1,381
Minorities	21	39
Attributable	1,066	1,342
Dividends	522	*489
Extra-ord. debits	60	250
Retained	484	573

* Including £20,000 in scrip.

The group makes paper and board and cones, tubes etc., of paper and plastic. The ultimate holding company is Sonoco Products of the U.S.

ECENT ISSUES

EQUITIES

Amount Paid Up	Latest Renunc. Date	1975/6 High	1975/6 Low	Stock	Closing Price p	+ or —	Div. Amount	Times covered	Gross Yield	P/E Ratio
F.P.	—	$10,500	$10,500	Brasilvest S.A.	$10,500	......	—	—	—	—
F.P.	2/4	85	82½	Electra Inv. Tst.	83½	+½	b5.8	1.1	6.7	21.4
F.P.	30/7	205	158	LASMO 'OPS' Units 10p	170	......	—	—	—	—
F.P.	30/7	205	158	SCOT 'OPS' Units 10p	170	......	—	—	—	—
F.P.	—	£21⅛	£21⅞	Tenneco Inc. $5	£21⅞	+¾	Q$1.76	—	4.0	—

FIXED INTEREST STOCKS

Amount Paid up	Latest Renunc. Date	1975/6 High	1975/6 Low	Stock	Closing Price	+ or —
F.P.	—	100¼	99⅝	Agricultural Mort. 10⅜% Bds. 1977	100¼	......
F.P.	—	100	100	Do. Do. 10⅞% Bonds 1977	100	......
F.P.	7/4	104	98	Arbuthnot Lath. 8% Conv. Uns. 1986	101	......
F.P.	—	100	100	Banque Canadienne Nat. 9½% Deb. 1992	C$100	......
F.P.	28/5	101	100¼	External Inv. Trust Convertible Ln. 1992-7	98	—2¼
£10	—	8⅞	8¼	GLC 12½% 1983	8½	+⅝
Nil	9/4	5½	¼	Greatermans Cum. Ptg. Pref.	¼pm	......
£10	—	10⅞	10⅞	Hartlepools Water 8% Red. Pref. 1981	11	+⅛
£50	30/7	33½	26	LASMO 14% Uns. Loan 81-85	27	+½
F.P.	—	99½	99½	Midland Bk. FloatCap. Notes 1985	$99½	......
F.P.	13/8	100	99¼	Mid-Sussex Water 8% Red. Prf. 1981	99¾	+¼
F.P.	—	101	99¾	Norway 8¾% $ Notes 1981	101	......
F.P.	—	99½	99½	Royal Tst. Mort. Corp. 9¾ Deb. 1981	$99½	......
£50	30/7	32½	26	SCOT 14% Uns. Loan 81-85	27	+½
£50	25/3	74	60	Scot. Met. 9% Conv. '92/6	67	+2
F.P.	—	99½	99½	Seagram 9% Notes 1983	$99½	......
£10	14/5	10⅞	10¼	Sutton Dist. Wtr. 8% Prf. 1981	10¾	+¼

"RIGHTS" OFFERS

Amount Paid up	Latest Renunc. Dates †	Latest Renunc. Dates ‡	1975/6 High	1975/6 Low	Stock	Closing Price p	+ or —
F.P.	12/3	16/4	79	71	Allen (E.) Balfour	75	......
F.P.	4/2	26/3	76	65	Armitage Shanks	72	......
F.P.	2/3	7/3	151	136½	Blackwood Hodge	142	+1
F.P.	15/3	12/4	37	34	Braham Millar	36	......
F.P.	27/2	26/3	105	93	Carpet Intnl	99	......
Nil	31/3	30/4	11½	5½	Cement Roadstone	9pm	—1½
F.P.	18/3	16/4	35½	32½	Concentric	32½	......
Nil	30/3	13/4	26½	21	Coral (J.)	23	—2
F.P.	26/3	9/4	28	24½	Crown House	25	......
Nil	25/3	30/4	34	24	De La Rue	34pm	......
F.P.	26/3	30/4	42	38	Dennis (J.H.)	41	+1
Nil	5/4	14/5	6	5	Diploma Invs.	5½pm	......
Nil	2/4	7/5	30	16	Fisons	27pm	+1
Nil	—	—	35	25½	Gill & Duffus	29pm	+1
F.P.	12/3	9/4	42	38	H.A.T. Group	38	......
F.P.	26/3	30/4	93	88	Hoffnung (S.)	95	+2
F.P.	26/3	30/4	69	56½	Imperial Metal Inds.	59	+1½
F.P.	4/3	9/4	22¾	22	Jackson (J. & H. B.)	22⅛	......
Nil	—	—	5	5	Jacob	5pm	......
F.P.	9/3	6/4	71	62	LCP Holdings	69	......
Nil	—	—	18	9½	Letraset Intnl	17pm	—1
F.P.	3/3	20/7	70	64	Lloyd (F.H.)	68	......
F.P.	16/3	23/4	246	210	Lloyds Bank	220	......
F.P.	18/3	2/4	75½	67¾	Meyer (Mont. L.)	73	+1
F.P.	15/3	26/4	23¼	21	Mitchell Somers	22¾	+¾
Nil	2/4	12/5	14	11	Mixconcrete	11pm	—1
Nil	9/4	—	5½	2½	Raine Engineering	3½pm	......
F.P.	23/3	22/4	397	362	Standard Chartered	386	+10
F.P.	24/2	25/5	100	82½	Stenhouse Hldgs.	98	......
Nil	31/3	30/4	25	8	Tavener, Rutledge	11pm	......
F.P.	12/3	2/4	52	45½	Tecalemit	47	—1
F.P.	6/2	2/4	14	11¾	Tomkins (F.H.)	11¾	......
F.P.	17/3	14/4	64	57	Triplex Foundries	60	+2
F.P.	15/3	11/6	156	140	Turner & Newall	155	+5
F.P.	18/3	12/5	53½	47	Ward (T. W.)	52	+7
F.P.	19/3	20/4	14	12	Wheway Watson	11	......
F.P.	27/2	9/4	136	125	Wolseley-Hughes	135	+2
Nil	—	—	43	29	Woodside-Burmah	30pm	+1
Nil	—	—	8½	6½	Youghal Carpets	8pm	......

nciation date usually last day for dealing free of stamp duty. a Placing public. b Figures based on prospectus estimate. d Dividend rate paid or on part capital; cover based on dividend on full capital. p*** Pence herwise indicated. u Forecast dividend; cover based on previous year's M Figures based on prospectus or other official estimate for 1976. assumed. ‡ Cover allows for conversion of shares not now ranking ends or ranking only for restricted dividends. ** Issued by tender. to holders of Ordinary shares as a "rights." ## 290 S.Afr. cents. ✝ Rights f capitalisation. †† Tender allotment price. ♣ Reintroduced. ‡‡ Issued in with reorganisation, merger or take-over. ♣ Introduction. ♠ Issued to reference holders. ‡ Allotment letters (or fully-paid). † Provisional or d allotment letters. § With warrants.

Anglo American Corporation Group

Extracts from the reviews by the chairmen of the Transvaal gold mining companies for the year ended 31 December 1975.

The following topics are covered in each chairman's review.

Once the first IMF auctions are over and the present uncertainties relating to them are removed, the chairmen are confident that the gold price will find a stable floor from which it will rise in the period ahead. Such a recovery will, of course, be accelerated should the *problems faced in 1973 and 1974 show any signs of returning.*

The trend whereby substantial increases in working costs were more than offset by the rise in gold price did not continue in 1975. The devaluation of the rand in September, by improving rand receipts from gold sales by 22 per cent, has however provided the industry with a valuable period of respite, during which programmes to contain cost escalation must be increasingly implemented. The Chamber of Mines, of which we are members, has already undertaken to support the voluntary anti-inflation programme agreed between the Government, the private sector and the trade union movement. In any event, a continuing unfavourable gold price will necessitate wage restraint being exercised in all but the lowest categories of pay, as outlined in the anti-inflation manifesto.

Within these limitations, the policy of increasing the wages of our Black employees shall be pursued until they are competitive with secondary industry in South Africa. As a result of the improved wage levels the proportion of South Africans in Vaal Reefs' total Black labour force has increased from 32 per cent late in 1974 to 47 per cent at the end of January 1976, and at Western Deeps from 26 per cent to 40 per cent in the same period.

In the longer run our goal must be to stabilise the industry's Black labour force as far as possible. This can be achieved only by improving the prospects of a Black recruit joining the mines to the extent that he views mining as an attractive and continuing career and not simply as a means to achieve a cash target. Schemes have already been evolved to attract men to return to the same mine after each period of leave. Equally important is the need to extend the promotional routes for Black employees who show promise and to *provide them with the requisite training.*

The impact of such measures to create a stable nucleus of increasingly skilled employees in supervisory and other positions will be greatly strengthened by the provision of more married housing. It is most encouraging that, following discussions between the industry and Government, we have been informed of new arrangements which will permit senior married Black employees from South Africa and the homelands to be housed with their families in Black residential areas, where they are reasonably close to the mines. Meanwhile the importance of improving the amenities and appearance of single accommodation is not being overlooked.

The need to maintain harmonious labour relations with all employees remains paramount, not only to avoid costly disruptions in production, but also to cope with the *rapid changes taking place in Southern* Africa. Two gold mines within the Group tested briefing groups as an additional means of downward communication. Following the success of the experiment the system has been extended to all the gold mines of the Group. Employees at all levels are now kept regularly informed of the progress of their company and of major decisions which affect them.

Meanwhile, a new consultative committee structure is being developed whereby elected Black representatives can communicate more effectively to management the collective ideas and views of Black employees.

Vaal Reefs
Extracts from the review by Mr. D. A. Etheredge

Tonnage milled rose slightly to 6 022 000 tons but the grade dropped by 0.82 grams to 10.19 grams a ton. Both the tonnage and the grade were adversely affected in the first quarter by the exodus of some 33 per cent of the labour force. Additional factors causing the fall in grade were the reduction in pay limit which allowed a greater proportion of lower grade ore to be mined, less sorting on surface and the necessity for the South Division to mine in a partially eroded zone to the west of the shaft system. Gold production fell by five per cent to 61 393 kilograms. Gold working profit decreased by 1,9 per cent to R104 910 000 because of the decline in gold production and an increase of 28 per cent in unit working costs to R19.96 a ton milled. With the added effect of the drop in grade, the cost per kilogram of gold produced rose by 38 per cent to R1 957.

The loss of R100 000 on Uranium in 1974 was converted into a working profit of R4 951 000 in 1975 because of increased sales and higher prices.

The company's profit after tax at R66 718 000 was marginally higher than last year. Together with the profit retained from the previous year, the sum available for appropriation was R70 857 000 from which R31 023 000 was appropriated for capital expenditure and R33 250 000 for dividends of 175 cents a share (1974: 220 cents). Retained profit of R6 584 000 carried forward into 1976 was higher than the previous year's figure and is considered more in keeping with the financial requirements of a company of this size.

The company's mining complex is vast in terms of production and personnel. From its eight separate shaft systems, the company hoists and mills 3.5 times as much ore as an average gold mine in South Africa and produces nine per cent of South Africa's gold output. The total number employed on the mine is about 32 000 which ranks among the world's largest concentrations of people within a single business complex.

The only major labour disturbance at our mine during 1975 occurred in January among Basotho employees over the introduction of a compulsory deferred pay scheme by the Lesotho Government. The unrest, which resulted in a third of the labour force leaving for home, was a principal reason for the disappointing results of the first quarter.

The shortage of labour, which affected production throughout the industry in 1975, has been overcome mainly by a large inflow of Black South Africans at the beginning of the current year. The mine is now at full strength and there is every reason to hope that operations in 1976 will not be hampered by labour shortages. Meanwhile negotiations continue for the resumption of recruiting in Malawi.

Capital expenditure for the complex in 1976 is estimated at R32 000 000, of which R15 000 000 is to be spent in the North Division. Mechanisation of development and stoping is continuing.

At R3 100 a kilogram, ore reserves are estimated as being 15 191 000 tons at 14.49 grams a ton; at R3 500 a kilogram 15 993 000 tons at 14.11 grams a ton; and at R4 000 a kilogram 16 872 000 tons at 13.69 grams a ton. The previous year's estimate was 15 812 000 tons at 13.86 grams a ton, at a pay limit based on a gold price of R3 000 a kilogram.

Our planned production for 1976 is 6 730 000 tons milled at a grade *of 9.8 grams a ton which reflects the greater proportion of lower* grade ore to be mined at Nos. 3 and 4 shafts (North) and No. 1 shaft (South). This target includes South Division's planned production of 1 990 000 tons milled at a grade of 9.2 grams a ton.

Western Deep Levels
Extracts from the review by Mr. D. A. Etheredge

The tonnage milled in 1975 increased marginally to 3 095 000 tons. Grade dropped by 0.51 grams to 15.42 grams a ton, which was nevertheless higher than the initial forecast of 14.5 grams a ton and gold output was one per cent lower at 47 736 kilograms. Unit working costs rose by 27 per cent to R20.73 a ton milled, and because of the drop in grade the cost per kilogram of gold produced increased by 31 per cent to R1 344. *Gold working profit decreased by two per cent* to R111 811 000.

Uranium working profit fell from R1 328 000 to R661 000 in 1975, not only on account of a reduction in tonnage sold but also because spot sales of surplus uranium concluded at market prices in 1974 were not repeated.

After-tax profit rose by six per cent to R57 592 000. With the addition of the profit retained from the previous year, the sum available for appropriation was R62 262 000 from which R19 627 000 was appropriated for capital expenditure and R36 875 000 for dividends of 147.5 cents a share (1974: 160 cents). Retained profit was raised from R4 671 000 in 1974 to R5 760 000 in 1975, the higher figure being considered more appropriate having regard to the current level of the company's operations.

The shortage of labour, which affected production throughout the industry in 1975, was particularly severe at Western Deep Levels. However, mainly owing to a *large inflow of Black South Africans* this year the mine is now at full strength.

Capital expenditure in 1976 is estimated at R21 500 000.

In October 1975 Elandsrand Gold Mining Company Limited raised R60 million by an offer of 20 million shares at R3 each to shareholders of our company, *Western Ultra Deep Levels Limited and* Witwatersrand Deep Limited, including a small number of shares to the companies themselves. Together with its holding prior to the issue our company now has a 2.9 per cent interest in Elandsrand. Full-scale sinking operations at Elandsrand began in January 1976 and, in order to reduce the non-productive period between shaft commissioning and milling, certain advance development work is being undertaken by our company *on behalf of Elandsrand.*

At R3 100 a kilogram, ore reserves are estimated as being 5 348 000 tons at 19.55 grams a ton; at R3 500 a kilogram 5 579 000 tons at 19.02 grams a ton; and at R4 000 a kilogram 5 836 000 tons at 18.41 grams a ton. Because the longwall method of mining is relatively inflexible, ore reserves are not very sensitive to variations in the gold price. The previous year's estimate was 5 622 000 tons at 18.05 grams a ton, at a pay limit based on a gold price of R3 000 a kilogram.

Our planned production for 1976 is 3 240 000 tons milled at a grade of 15.5 grams a ton.

East Daggafontein
Extracts from the review by Mr. N. F. Oppenheimer

The tonnage milled decreased by six per cent in 1975 to 1 010 000 tons. A considerable drop in tonnage reclaimed from waste dumps was offset to a certain extent by an increase in underground ore hoisted. Grade fell by 0.45 grams to 1.77 grams a ton, and gold production by 25 per cent to 1 793 kilograms.

Continued *cost inflation and wage increases, together* with extensive maintenance work in the gold extraction plant, resulted in unit working costs rising by 32 per cent to R8.55 a ton milled. The drop in grade caused the cost per kilogram of gold produced to rise by a greater proportion, namely 64 per cent from R2 928 in 1974 to R4 815, and to overtake the higher gold price received. The working profit of R1 746 000 in 1974 was therefore converted into a working loss of R1 438 000 but, *after State assistance of R1 376 000* and net sundry revenue of R56 000, the loss before tax was reduced to R6 000. Tax of R23 000 increased the loss to R29 000. Deduction of this amount from the retained profit brought forward from 1974 left R776 000 from which R468 000 was appropriated for capital expenditure. No dividends were declared and retained profit of R308 000 was carried forward into 1976.

There is a possibility that State assistance to the company will be withdrawn at the end of 1976 although no decision has yet been taken. In such an event the mine will have to be closed unless there is a considerable improvement in the gold price. Members are reminded that the break-up value of the mine is not significant.

During 1975 we reached agreement with The South African Land & Exploration Company Limited for mine management and certain services to be rationalised for the benefit of both companies. As a result, the mine manager of S.A. Land was also appointed manager of our mine, and the mine secretarial, engineering and personnel departments were amalgamated and located at S.A. Land. The benefits of these measures will be fully reflected in working costs in 1976.

There were no labour disturbances during 1975 at the mine and, except for a slight shortage of Black labour towards the end of the year, supply was satisfactory.

The company's planned production for 1976 is 1 450 000 tons milled at a grade of 1.50 grams a ton. No ore reserves have been established.

S.A. Land & Exploration
Extracts from the review by Mr. N. F. Oppenheimer

The tonnage milled in 1975 fell by nine per cent to 993 000 tons, mainly as a result of a serious shortage of Black labour which persisted throughout the year. Grade rose slightly to 5.17 grams a ton but the lower tonnage resulted in the gold produced, at 5 136 kilograms, being eight per cent less than in the previous year. An increase of 39 per cent in working costs to R17.10 a ton milled led *to a substantial fall in working profit from R4 940 000 in 1974 to* R1 736 000. The rise in unit working costs was caused primarily by the continued effect of inflation on the cost of stores and services, higher wages and the reduction in tonnage milled. In addition, however, certain pumping costs claimed for re-imbursement under the State Pumping Assistance Scheme were disallowed.

With the addition of net sundry income of R294 000, profit before *tax in 1975 was R2 030 000. Profit after tax and State's share of* profit amounted to R1 942 000 compared with R3 288 000 in 1974. Together with the profit retained from last year, the sum available for appropriation was R2 346 000 from which R512 000 was appropriated for capital expenditure – mainly incurred on prospecting – and R990 000 for dividends at 30 cents a share (1974: 85 cents). In view of the uncertainty regarding future profits it was decided *that retained profit should be increased, and an amount of R844 000* was therefore carried forward into 1976.

It became clear during the year that our mine could not continue to operate profitably if longer-term development was maintained, as this severely limited the amount of ore which could be hoisted to the mill. The only course open to the mine was to confine development to reasonably accessible areas where stoping could follow within *about three years. In consequence, there has been a beneficial effect* on grade and on the tonnage of ore hoisted for milling. It is not easy to predict when underground operations will cease, as it depends partly on the price of gold and partly on whether the mine will remain eligible for State assistance under existing legislation. At best, it seems that operations might continue until the end of 1978.

Capital expenditure in 1976, excluding prospecting, is expected to be R42 000, which will be spent on the completion of work begun last year.

It has recently been announced that Rioden Investments Limited – which it is intended will be known as East Rand Gold and Uranium Company Limited (ERGO) – will re-treat old slimes dams on the East Rand to recover gold, uranium and sulphur. ERGO's central treatment plant complex will be situated within our mining lease area and arrangements are *being made to sell the ground required. In* addition, negotiations are in progress with ERGO for the treatment of the company's slimes dams.

At R3 100 a kilogram, ore reserves are estimated as being 886 000 tons at 11.39 grams a ton; at R3 500 a kilogram 1 115 000 tons at 10.36 grams a ton; and at R4 000 a kilogram 1 379 000 tons at 9.42 grams a ton. The previous year's estimate was 1 328 000 tons at 9.83 grams a ton, at a pay limit based on a gold price of R3 000 a kilogram.

The company's planned production for 1976 is 1 120 000 tons milled at a grade of 5.0 grams a ton, including 55 000 tons from the waste rock dump.

Southvaal Holdings
Extracts from the review by Mr. D. B. Hoffe

Total income during 1975 rose by 31 per cent to R4 780 000 as a result of a larger annual royalty payment from Vaal Reefs Exploration and Mining Company Limited. The royalty increased from R2 810 000 in 1974 – the first of such payments – to R3 950 000, while interest of R830 000 received in 1975 was virtually unchanged from the previous year. With the addition of retained profit from 1974, the amount available for appropriation was R3 432 000. Dividend No. 2 of eight cents a share (1974: nine cents) absorbed R2 080 000, and retained profit of R1 352 000 was carried forward into 1976.

In accordance with the provisions relating to the R10 million loan to Vaal Reefs, in January 1976 the company received the first of forty equal half-yearly loan repayments of R487 000 covering both capital and interest.

The tonnage milled by Vaal Reefs South Division in 1975 increased by 44 per cent to 1 333 000 tons, but grade fell by 1.02 grams to 10.76 grams a ton. This was below the forecast of 11.60 grams owing to a lower surface sorting rate and the fact that in the last quarter, when grade dropped to 9.97 grams a ton, stoping continued in a partially eroded zone of lower value to the west of the shaft system. The higher tonnage, however, not only resulted in an increase of 31 per cent in gold production to 14 342 kilograms, but also offset to a certain extent the impact of cost escalation and wage increases on unit working costs; these rose by 18 per cent – considerably lower than the average increase for the industry – to R20.73 a ton milled in 1975. Working profit, at R25 483 000, was 25 per cent higher than in the previous year.

During 1975 development to establish mining areas to the east and west of the shaft continued in order for sufficient stope face to be made available for the forecast rate of production in 1977.

At R3 100 a kilogram, ore reserves are estimated as being 2 183 000 tons at 16.49 grams a ton; at R3 500 a kilogram 2 233 000 tons at *16.31* grams a ton; *and at R4 000 a kilogram* 2 289 000 tons at 16.07 grams a ton. The previous year's estimate was 1 748 000 tons at 15.91 grams a ton at a pay limit based on a gold price of R3 000 a kilogram.

The 1976 target recovery grade of 9.2 grams a ton reflects the greater proportion of low-grade ore to be mined, but the target of 1 990 000 tons milled should raise gold output to 18 308 kilograms in 1976.

The Annual General Meetings of these companies, all of which are incorporated in the Republic of South Africa, will be held in Johannesburg, South Africa, on 27th April 1976. Copies of their annual reports may be obtained from the London Office at 40 Holborn Viaduct, London EC1P 1AJ or from the office of the United Kingdom Transfer Secretaries, Charter Consolidated Limited, P.O. Box 102, Charter House, Park Street, Ashford, Kent TN24 8EQ.

Prudential profit tops £18m.—pays 5.4p

TOTAL PROFITS of the Prudential Assurance Company increased from £12.1m. to £18.1m. in 1975.

This comprises life profits up from £8.8m. to £11.5m., non-life profits £2.7m. ahead at £4.1m.—after a tax charge up from £0.2m. to £3.6m.—and other net income increased from £1.9m. to £2.5m.

The non-life underwriting loss was reduced from £4.7m. to £2m., while investment income improved by £3.4m. to £9.7m.

The directors point out that earnings per share are not appropriate for life assurance business and have not therefore been given. For the group as a whole the net surplus assets for non-life business as at December 31 represented some 42 per cent. of the non-life premium income for the group.

As a consequence of the improvement in the market value of investments during 1975 the group's life assurance liabilities have been valued at lower rates of interest. These liabilities and the amount required to meet policyholders' bonuses have thereby been increased and this has enabled the progress of transfers to the profit and loss account, disturbed in 1974, to be resumed.

The net dividend total is raised by the maximum permitted—from 5.072p to 5.412p net per 5p share on capital increased by the rights issue last year, with a final of 3.412p. On a gross basis the total is equal to 8.326p against 7.711p.

	1975 £m	1974 £m
Life		
Surplus	186.2	136.5
Policyholders' bonus	174.7	127.7
To profit and loss	11.5	8.8
Non-Life:		
Underwriting loss	2.0	4.7
Investment income	9.7	6.3
Leaving	7.7	1.6
Taxation	3.6	0.2
To profit and loss	4.1	1.4
Other net income	2.5	1.9
Profit	18.1	12.1
Retained	3.3	0.6
Dividend	14.8	11.5

The company has substantially raised its bonus rates, reversionary and terminal, on its U.K. ordinary branch with-profit business. The reversionary bonus on individual assurances is now £3.80 per cent. of the sum assured, compared with £3.50 per cent. on the previous year.

The terminal bonus rates for policies issued in 1974 or earlier for these contracts payable on maturities or death claims on or after April 1, will be as follows:

Year of issue	new rate	old rate
	% of sum assured	
1936	£95.00	(£59.50)
1946	£75.20	(£68.50)
1956	£47.00	(£40.60)
1961	£31.00	(£24.60)
1966	£15.30	(£9.70)

The Reversionary bonus rate for individual personal retirement plans is raised to £5.70 per cent. of the basic annuity from £5.40 per cent. in 1974. On group pension business, the reversionary bonus will be £6.00 per cent. compound, against £5.50 per cent. for deferred annuity contracts and £3.90 per cent. compound compared with £3.45 per cent. for cash accumulation and executive pension contracts. Terminal bonus rates are increased for all group with-profit pension business.

Bonus rates for U.K. industrial business, however, are being kept unchanged. The reversionary bonus rate remains at £2.60 per cent. of the sum assured and the terminal bonus rates for policies issued in 1972 or earlier are unchanged, varying from £89.50 for year of entry 1936 to £9.70 for year 1966.

This means that the terminal bonus rate on a policy maturing on or after April 1 this year will be slightly less than that paid on a policy of the same term that matured 12 months previous.

On its overseas business, the Pru has increased the bonus rates on some assurances and on most of its with profit annuity business.

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See Lex

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TO-DAY

Interims:—Bank Bridge Group, Pifco.

Finals:—Anglowest, Beatson Clark, Coates Bros., Desoutter Bros., Hanger Investments, Hellenic and General Trust, Jersey Electricity, Robert Kitchen Taylor, North British Canadian Investment, E.I.D. Parry, Philips' Lamp, Relyon PBWS, RKT Textiles, Samuel Sherman, Wolstenholme Bronze Powders, Yorkshire Chemicals.

FUTURE DATES

Interims:—	
Aurora	Apr. 1
Burndene Investments	Mar. 31
Lawtex	Mar. 30
Startrite Engineering	Apr. 1
Wombwell Foundry, Engineering	Apr. 5
Finals:—	
Brammer (H.)	Mar. 31
Fothergill and Harvey	Apr. 1
Hiltons Footwear	Apr. 5
House of Fraser	Mar. 31
Legal and General Assurance	Mar. 31
Miller (F.) (Textiles)	Apr. 9
Owen Owen	Apr. 8
Phoenix Assurance	Apr. 7
Scott's Restaurant	Apr. 1
Unicorn Industries	Apr. 12

Better first half for McKay Secs.

Gross rental income of McKay Securities increased from £394,000 to £459,000 in the six months to September 30, 1975 and profit doubled from £39,000 to £81,000 subject to tax of £58,000, compared with £30,000.

After tax relief, interest charged on properties in course of development was £24,000 (£34,000), leaving a much reduced loss of £1,000, against £25,000.

An interim dividend of 0.7p net (same) has already been announced. Last year's dividend total was 1.4p from profits of £124,243 (after charging £96,609 interest and overheads of overseas trading development).

The directors expect the results for the second half to be "no less favourable" than the first and to be able to recommend a final dividend of not less than that paid for last year.

Improvement at Pressac—order upturn

FIRST HALF (to January 31) taxable profits of the Pressac Holdings group of electro-mechanical component makers and precision engineers, show a sharp improvement from £117,426 to £192,306.

Chairman Mr. G. W. Clark explains that, by continued development and introduction of new business, the group was successful in "very substantially" reducing the general volume decline affecting its sector.

The order book has now taken a small but distinct upturn for the first time in more than a year he reports; and the group is well placed and equipped to take full advantage of improvement as it is offered.

Foundation of the new German subsidiary, Nopa, incurred a small initial loss but the directors have every confidence in the value of this investment for the future, Mr. Clarke adds.

The engineering section of the group is "very fully occupied and doing well."

First half stated net earnings per 10p share advanced from 1.41p to 2.31p and the net interim dividend is 0.764p against 0.6945p. For the full previous year the total dividend was 2.1975p paid from taxable profits of £338,000 (down from £700,249 in 1973-74)—earnings 3.82p.

Audio Fidelity better than expected

ANNOUNCING first-half profit little changed at £138,218, against £137,976, subject to tax of £66,945, compared with £62,732, the directors of Audio Fidelity say there is now the possibility that profit for the year to April 30, 1976, will at least approach last year's £362,795 pre-tax.

Mainly due to the continuing progress of the manufacturing subsidiary, the first half results are higher than appeared likely at the time of the last annual report, the directors state.

Planned retail expansion is continuing under very difficult trading conditions, they add.

Meggitt plans expansion

Mr. John Tyler, chairman of Meggitt Holdings (machine tool makers) told the annual meeting that the order intake for the first four months of the current year was slightly ahead of the corresponding previous year period.

Mr. Tyler recalled the suggestion in his annual statement that there was evidence of an upturn in business and confidence overall, and said this situation undoubtedly still applied, but the upturn was proving to be very slow and hesitant.

The Board nevertheless took a positive view and had shown its confidence by extending the factory of the subsidiary in the north east, and was also currently considering other expansionist *proposals.*

For the future, he said, there was a great deal of uncertainty in industry and it was extremely difficult to make any predicitions. He nevertheless felt the second half would see the increased activity in engineering which the nation required, and he was sure the group "has the capability to resume its development and growth."

Australian Agricultural deficit

On lower turnover of £2.3m. against £3.08m. Australian Agricultural incurred an increased pre-tax loss of £454,013 for 1975 compared with £365,334 for the previous 14 months, after £362,652 against £396,375 for the first six months.

After a tax credit up from £116,295 to £250,982, and extraordinary credits of £1,057,119 against debits of £862,309, there was a profit of £854,088 compared with a loss of £1,111,348.

There is no dividend for 1975. The last payment was an interim of 0.791875p net for the 14 months to end 1974.

The extraordinary credit is an adjustment arising from the re-alignment of the Australian dollar and the pound sterling.

The company continues to use the Australian tax average cost method to calculate livestock profits and the value of closing stock. This has resulted in a reduction of \$A1,065,143 in book value of livestock between the beginning and end of the year, although numbers and composition have remained practically unchanged.

Reported result before tax has been adversely affected by this amount.

The main reason for the loss was the continuing depressed state of the beef market throughout the year, members are told. Although there was an improvement in prices during 1975, this was too late and insufficient to improve materially the final result. There was an increase in farming proceeds and substantial economies in running expenses were achieved.

Confidence at Black & Edgington

THE CAMPING and leisure wear group, Black and Edgington, announces taxable profit of £1,348,000 for the year 1975, almost equalling the £1,351,000 achieved in the previous 15 months.

And chairman, Mr. R. G. Duthie, is confident the company is well placed to move ahead in 1976; sales for the first two months confirm this view.

In the first half of 1975 profit was £611,000, compared with £779,000 in the 36 weeks to June 8, 1974. The improvement in the second half—by 20 per cent. over the first—reflects tighter expense control and a lower interest charge from reducing stocks.

The final dividend per 50p share is the maximum permissible 2.875p net, making a total of 5.625p (5.47p).

Group capacity was under-utilised, in part contributed to by the decision to reduce stocks. This situation has now been reversed and several sections expect to experience a shortage in capacity during 1976. A very large upsurge in export orders has been a major factor in this turnround.

Mr. Duthie says that although it is early yet to forecast an end to the recession in industry, some companies selling to industrial users "can see a light at the end of the tunnel."

He expects leisure interests to expand further in an improving economic climate. Plans for future expansion of the group are now being implemented—several small acquisitions have been announced recently.

	Year 1975 £000	15 mths. 1973-74 £000
Group sales	18,900	21,190
Profit	1,269	1,222
Share assoc.	79	129
Profit before tax	1,348	1,351
Taxation	652	670
Net profit	696	681

Crucible in joint venture

Steatite and Porcelain Products, and Rectifier Modules International intend to form a joint company for the manufacture of high voltage capacitors. S and P P is a wholly owned subsidiary of Morgan Crucible. The new company, based at Stourport-on-Severn, is expected to commence trading on June 1.

RMI will hold a controlling interest and the company is expected to be called REMO Capacitors.

Merging the capabilities of these two companies will help to meet the developing need in Europe for a reliable source of their *components, it is stated.*

Coutts extra £3m. provision

GROUP PROFIT of Coutts an[d] increased from £2,445,00[0] £3,207,000 in 1975, but afte[r] of £82,000, compared [with] £569,000, an additional pro[vision] of £3m., against £1m., for ba[d and] doubtful debts, etc., the net is down from £744,000 to £

Dividends take £1 (£170,000) of which £159,(transferred from re (£574,000 to reserves). The [com]pany is a subsidiary of Na[tional] Westminster Bank.

Total deposits increase[d by] some 3 per cent. to Although most of the increa[se] in interest-bearing de[posits] current accounts showed a increase per cent. over the the directors state.

The increase of 31 per ce[nt in] trading profit was attributable to Coutts Company they add.

They estimate that [the] shown at £5.87m. base, a value of not less than excess of that figure.

Bulgin profit downturn

PROFIT OF A. F. Bulgin a[nd] makers of precision ele[ctronic] components, fell from £765 £565,527 in the year January 31, 1976, before £288,611 against £402,148. [Earn]ings per 5p share are sho[wn as] 1.35p compared with 1.81p.

Profits in the first six were down from £383,0 £270,000 but the directors that stringent economies duced would show a benefit second six months.

The net final dividend is making a maximum per 1.08p total against 1.01875 viously.

Bentima seeks more capital

DESPITE higher sales of compared with £4.7m., before tax of watch and cl[ock im]porters and precision inst[rument] makers, Bentima Industri[es de]clined from £282,357 to £264 1975, after being £173,000 £146,000 for the first six

Stated earnings per 25p are 3.57p against 3.97p and dividend is 1.74p—the ma[ximum] permitted. A 1.582p divide[nd was] paid in 1974.

The directors say discussi[ons are] being held with financial a[dvisers] Standard Industrial Trust, ing the possibility of rai[sing a] substantial sum of adc permanent capital which required.

	1975 £
Sales	5,145,799
Profit before tax	264,190
Taxation	148,253
Net profit	115,933
Minorities	11,730
Attributable	104,203

PRIDE & CLARK
LIMI[TED]

The following are salient points from the Statement by Chairman, Mr. A. D. Clarke, circulated with the Report Accounts for the year to 30th September, 1975.

★ Progress continued throughout the year giving rise record turnover of £33,121,176. The Group Trading P[rofit] also reached a new peak, having increased from £554 to £1,312,812 and Earnings per Ordinary Share rose f[rom] 11.5p to 30.1p.

★ The Motor Trading sections of the Group recorde[d a] substantial increase in Turnover with the Impor[ting] Companies achieving a considerable improvement. Hire Purchase Companies achieved a 28 per cent incr[ease] in Turnover and a satisfactory improvement in profits.

★ The Directors recommend a Final Dividend on Ordinary Shares of 7p per share making a total for year of 10p per share (1974—8.225p) covered three ti[mes] by net profits.

★ During the current financial year turnover has [been] running at a marginally lower level than that achieve[d in] the previous corresponding period. However, there indications that sales are improving and I am hop[eful] that this trend will continue throughout the remai[nder] of the current financial year.

BEAUMONT PROPERTIES LIMITED

Directors: Sir Cyril Black, J.P., D.L., F.R.I.C.S. (Chairman), A. E. Hemens, F.R.I.C.S. (Vice-Chairman), R. C. Bearton, F.R.I.C.S., S. P. Farr, B.Sc., F.R.I.C.S., M. L. Yeulet, A.R.I.C.S.

Sir Cyril Black reports on the year ended 30th September 1975

	1975	1974
Profit before tax	481,204	774,656
Profit after tax and minority interest	171,382	340,534
Cost of dividends	318,307	298,274
Balance carried forward	513,624	686,515
Properties	24,518,884	23,063,882

Property and General Revenue
Increased by approximately £135,000 from £1,118,381 to £1,252,721.

Current Developments
SALE, Cheshire — Traders Hall completed — encouraging progress in lettings — outline planning consent obtained for Phase II. *SUN STREET/ WILSON STREET, E.C.2* — Prestige development making good progress — providing about 10,000 sq. ft. of highest quality office accommodation. *GOSWELL ROAD, E.C.1* — Refurbishment almost completed — several substantial enquiries already received. *EPSOM* — Work commenced on shops with offices over — completion anticipated early 1977.

Properties
Revalued as at 30th September 1972 before unprecedented upsurge and subsequent decline in property valuations — Board of opinion current valuation would produce total valuations not less than those for 1972.

Dividends
Total distribution for year (including associated tax credits) increased by approximately 10% over last year.

Future Prospects
Now that property market on way back to normality shall resume policy of selling properties when attractive prices can be obtained — conservative estimate made of additional income expected when renewals or rent revisions in leases come into effect — over period of years can anticipate increased rental income of over £850,000 p.a. — many rents due for review in near future — in next 5 years estimated additional income receivable should increase by over £500,000 p.a.

MINING NEWS

Gold waiting to make its come-back?

BY KENNETH MARSTON, MINING EDITOR

TIME when so many world currencies are deeply ... and base metal prices are boosted by the search for inflation-proof haven for ..., the traditional refuge of ... has been lost as a result of ...reat of the pending auctions ...m. ounces of International ...ary Fund Gold.

..., while sterling prices of ... metals have advanced ... in recent weeks, the U.S. price of gold has remained ...ed and the sterling price of ...rrand one-ounce gold coins ... only legal method in the ... of owning gold without pay... large premium for fabrica... collectors' value) has also ...d time.

... gold just another ...ronism? Or is it merely ...low while again preparing ... into the monetary scene? ...ing-up the pros and cons of ...nigma the chairmen of the ... American Corporation ...'s non-OFS South African producers take an under...bly optimistic line.

...y consider that "once the ...MF gold auctions are over ... the present uncertainties ...g to them are removed we ...nfident that the price (of ... will find a stable floor from ... it will rise in the period ... "Krugerrands." The record ...f sales may not be repeated ... but the coins "should, how... still do well as the market—...ularly in America—has yet fully exploited."

...ng prospects for the ...dual mines, the giant Vaal ... which produces some 9 per ...f South Africa's entire gold ..., has now fully overcome its ... shortage. Stating this, Mr. ... Etheredge adds that the ... content is now also at full ...th at the big Western Deep ... property.

... discloses that ore reserves ... young neighbouring Elands... gold mine are so far esti... at 5.35m. tons at 19.55 ... gold per ton on the basis ...old price of R3,100 per kilo... ($111 per ounce), or 5.58m. ...t 19.02 grams at R3,500 per ...am ($125), or 5.84m. tons ...41 grams at R4,000 ($143). ... was $133 per ounce yester...

...N. F. Oppenheimer says that ... is a possibility that State ...nce may be withdrawn from ...Daggafontein at the end of ...ear, in which case the mine will have to be closed—unless there is "a considerable improvement" in the gold price—and he adds that the break-up value of the mine "is not significant."

Mr. N. F. Oppenheimer also reckons that, at best, operations of South African Land and Exploration might continue until the end of 1978. Negotiations are in progress with Blinkpan Investments (to be known as East Rand Gold and Uranium Company) for the treatment of the "Sallies" slimes dams.

"Sallies" still hopes for a new lease of life in the Withok area of the property. Latest opinions are that it would be wrong to abandon the area, which carries a high financial risk, and ways of raising the money required to continue its exploration are being considered.

QUEENSLAND URANIUM FIND

Australia's Central Coast Exploration and Getty Mining, the Australian subsidiary of America's Getty Oil (which is linked in the Northern Territory uranium find of Pancontinental) announce that they have encountered uranium reserves at their jointly held Maureen deposit near Georgetown, some 250 miles south-west of the Queensland coastal town of Cairns.

Drilling to date shows 1.12m. tonnes of indicated ore grading 0.18 per cent. uranium oxide with inferred reserves of 1.27m. tonnes grading 0.13 per cent. Further drilling will be undertaken in the current year to test for any extension of the area.

The ore also contains molybdenum and fluorspar but it is not known whether these can be economically recovered at the moment. Similarly, the commercial viability of the project cannot be determined until completion of further metallurgical work.

The whole of the issued capital of Central Coast is either owned by, or is subject to, an option to purchase in favour of Australia's Stocks and Holdings. The latter shares were 345p in London yesterday.

MINERAL SEARCH ON RED SEA BED

Two French concerns, Compagnie Generale de Géophysique (CGG) and the State-run Bureau of Geological and Mining Research (BRGM) are studying the feasibility of extracting minerals from ore-bearing sludge in the Red Sea, over an area of some 18,000 square miles between Saudi Arabia and Sudan for a period of four years.

An initial contract to this end is understood to have been signed between the Red Sea Commission and the Arabian Geophysics and Surveying Company (ARGAS) which is 49 per cent. owned by CGG and 51 per cent. by Petromine, of Saudi Arabia.

The sludge has a zinc content of around 3.8 per cent., copper of 0.9 per cent. and silver of about 110 grams a ton. The construction of a pre-treatment unit by Preussag of West Germany is envisaged at a later date.

Westfield's new Alaska drills

Westfield Minerals and Northgate Exploration announce encouraging assay results for drill samples from 55 holes in the shallow offshore drilling programme at the Daniels Creek gold placer concession near Nome, Alaska. The holes were drilled on five east-west sections extending over an area up to 2,500 feet from shore.

An additional 11 holes were drilled on one section in the Eldorado Creek offshore project nearly one mile west of Daniels Creek. Results from only one hole of Eldorado series have been obtained where only minor values were indicated.

In the Daniels Creek area, 16 holes intersected a zone containing higher than average gold values within the area drilled. The tenor of values obtained varied from $1.19 per cubic yard over 60 feet to $15.72 over 25 feet.

Current drilling is being directed toward the west. A 6th section some 3,000 feet from shore is now being drilled and it is planned to drill additional sections parelleling the western portions of the existing 5th and 6th sections about 500 feet north and south. It is also planned to extend section 2 west of hole 43, and section 3 west of hole 32. It is expected that this additional drilling will consist of 100 holes or more, depending upon stable ice and weather conditions.

Lump case: Murphy to pay £800,000, three jailed

FINANCIAL TIMES REPORTER

FINES and penalties of more than £800,000 were imposed yesterday on one of Britain's major construction companies, J. Murphy and Sons of London, along with an associate company, when three of its executives were jailed at the Old Bailey for tax frauds.

The company, which is 75 per cent. owned by London and Northern Securities, could also face a large tax bill, although it said last night that it expected the final liability to be "substantially less" than the £1.5m. mentioned in court. Discussions with the appropriate authorities would be taking place.

A statement from London and Northern last night said that an appeal against the conviction of Murphy and certain of its employees was being considered. It emphasised that the Inland Revenue was not itself seeking any penalties, a course of action which it was entitled to pursue.

London and Northern stressed that Murphy had a healthy order book and "due to its financial stability and the strength and depth of its management" it was confident that the company's future trading position was assured.

Judge King-Hamilton called it a "gigantic swindle" and passed three-year jail sentences and £10,000 fines on Murphy's £13,000-a-year managing director, Mr. Michael Holly, 37, of Chase-side, Southgate; its finance director, Mr. James Stapleton, 36 of Oaklands, Winchmore Hill; and its company secretary, Mr. F. Felix McCarthy, 37, of Leicester Road, New Barnet.

The judge fined the company £675,000 after ordering it to pay £52,500 costs, and its associated company, J. M. Piling, was fined £75,000. He allowed it until October 1978 to pay the fines by yearly instalments of £250,000 each, in the hope that the effect on "innocent shareholders" of London and Northern Securities would be slight. The accused company represents only 8 per cent. of the groups' overall business activities.

Judge King-Hamilton had considered the effect a substantial fine would have on shareholders, but felt the penalty should be commensurate with the offence, which had involved cheating the Inland Revenue on a large scale.

He added: "When someone invests on the Stock Exchange he must be aware of the hazards of the stock market. Sometimes, but rarely, one comes across a director of a public company committing fraud. That is not the sort of risk involved in this case which an investor could have contemplated. The men who have been found guilty were not on the L and N Board, but were divisional directors of a subsidiary."

The Crown case was that the Inland Revenue had been defrauded of 1.5m. between 1972 and 1974 because Murphy had claimed to be paying many of its workmen through sub-contractors, instead of deducting PAYE.

Mr. James Comyn, QC, defending, said he disputed the prosecution figure, as the amount could be less than £1m., or even below £500,000, if the normal tax deductions were taken into account.

The company and the accused men had gained not a penny from the scheme, and the only people who had benefited were workmen on the "lump" who had avoided paying tax.

Mr. Comyn added: "Times are not prosperous at the moment for the construction industry, but Murphys is well-known throughout Britain and hopes to continue in business."

The judge also jailed Mr. Thomas Clancy, 33, of Hay Lane, Cricklewood, a former construction manager for J. Murphy and Sons, for 18 months and fined him £1,500; and passed suspended jail sentences on Mr. Timothy M. Slattery, 31, contracts manager, of Milton Ave., Highgate; Mr. Thomas Enright, 47, works foreman, of Elton Ave., Sudbury; Mr. Martin Dooley, 44, wages manager, of Kingshill Ave., Kenton; and Mr. Frederick Joseph Chute, 31, wages clerk, of Church St., Listowel, Ireland. They were fined sums ranging from £1,500 to £500.

Many foreign buyers at Christie's sale of Bordeaux wines

BY EDMUND PENNING-ROWSELL

THE FIRST part, yesterday, of Christie's sale in Quaglino's ballroom of Delor et Cie's 32,000 cases of Chateau-bottled Bordeaux atracted a crowded attendance and many foreign buyers —Continental, American and Australians.

Whether the general run of prices for such considerable quantities seemed high or low tended a good deal on the currency in which one was paying. If in sterling, they were not exactly bargains at current market prices here in Britain. All prices were f.o.b. Bordeaux.

So, with freight, duty and VAT added, a £20-a-dozen knocked-down price meant a final cost to the buyer of £30, while a £30 figure involved a total outlay of just on £41.

Premier Cru

Thanks largely to the weakness of the pound, prices bid in sterling were particularly attractive to foreign buyers, who bought substantial parcels. Yesterday the wines of 30 châteaux were sold, mostly of vintages from '66 to '71, and from classed-growths.

Of the *premier-cru* 1966s, Latour made up to £96 a dozen and Ch. Margaux sold for £60. The '67s ranged from £72 (Lafite) to £58 (Cheval-Blanc) and £56 (Ch. Margaux). Then the '70s ran from £98 (Cheval-Blanc), to £72 (Ausone), while among the '71s Latour rose to £82. Lafite made £74, whereas Cheval-Blanc and Ausone brought £70 and £62 respectively. Magnums usually went rather higher.

Of the lesser-growths, large runs from such châteaux as Beychevelle, Brane-Cantenac and Calon-Segur were prominent. The '66s made between £37 and £39 a dozen, the '67s ranged from £25 to £34, the '69s from £17 to £25, the '70s averaged £28 to £39 and the '71s brought £22 to £30.

High prices

Beychevelle and Brane-Cantenac tended to attract the best prices, but the larger lots, extending to 25 and 50 dozen apiece naturally went for rather less.

As usual on these occasions, a scattering of old first-growths in small quantities fetched high prices. Among the 1953s Lafite even achieved a London saleroom record of £300 a dozen while, Latour and Cheval-Blanc both rose to £180.

Lafite 1959 brought £200, and Latour 1959 made £150. Among a small selection of Sauternes, Yquem 1966 went for £110 a case and the 1967 reached £105. The total for the day's sale, in which few lots remained unsold was £430,000.

Nation Life second payment next month

By Eric Short

POLICYHOLDERS and bond holders in Nation Life Insurance, the life company which was wound up in July 1974, can expect to receive the second interim payment on their contracts by the end of April.

The news was given yesterday by Mr. David Jackson, chairman of the policyholders' protection committee and confirmed by Mr. Gerry Weiss, liquidator of the company. Mr. Weiss said that the payment would be a little more than 10p in the £.

The first interim payment to policyholders and bond holders of 41½p in the £ was made in October. Property bond holders, however, received a sum based on an original valuation of the worth of their contracts. The court which fixed the value of the various classes of business finally agreed to an enhanced figure.

Mr. Weiss confirmed that property bond holders this time would also receive the balance of the first interim payment in respect of this new valuation.

He said that he was not in a position to forecast when any third payment was likely to be made nor its amount. Nor was he prepared to indicate the level of overall payments.

A large slice of the property portfolio still remained to be sold, including the Bournemouth site, which brought the company's troubles to a head. Most of the company's other assets had been liquidated.

Mr. Weiss was hopeful that the first distribution would soon be made in respect of Nation Life's £1m. deposit with the International Credit Bank of Geneva. The Swiss courts on March 19 had approved a scheme put forward to creditors. This was only likely to recover at best 40 per cent. of the deposits.

Mr. Jackson also pressed yesterday for the liquidator to make a full statement on the present position of the winding up of Nation Life.

Textile recession wipes out profit of Shirley Institute

BY RHYS DAVID, TEXTILES CORRESPONDENT

THE textile recession of the past year resulted in a substantial decline in the amount of work which the Shirley Institute, the research body for cotton, silk and man-made fibres, was asked to do for the industry last year.

The Manchester-based institute's annual report, published yesterday, shows that income from sponsored research—its biggest source of revenue—fell from £416,004 in the year to the end of September, 1974, to £357,203 in the following year, a drop of £58,801. It had been hoped the figure for the year could be £50,000 up on 1974.

Income from technical services increased from £232,032 to £258,370, an increase of £26,338, but with inflation adding some £60,000 to costs, during the year the institute ended with an overall loss of £31,363. This compares with a profit of £25,033 in the previous year.

Further loss

Dr. Philip Smith, the institute's chairman, told the annual meeting yesterday that some signs of a recovery in demand were now evident, but the institute was likely to make a further loss during the present year.

"So severe has been the financial drubbing which most of our customers have taken that any change in the trading climate has not as yet produced any clear and unmistakeable signs of larger development budgets."

The institute would be going ahead with plans to develop as an international centre providing a wide range of research, development and technical service, Dr. Smith said.

"It is no part of our daily task to be directly concerned with Government-industry argument and counter-argument as to the future size and nature of any U.K. textile industry.

Fashion rainwear

"What we can do as well as anyone else is to assess the likely consequences of these parleys, and it is clear that if we are to continue to provide worthwhile services to our members and others, including the now truncated home-based industry, we must also continue our endeavours to extend both the scope and nature of our activities, and the sources from which these activities are *supported*."

● A £250,000 new factory to produce ladies fashion rainwear, much of it for export, is to be opened to-day in Salford, by P. and H. Bailey, part of Cope Allman. The company which supplies multiple stores, including C and A, and Debenhams, and mail order houses, says the new facilities are needed to expand production and meet increased demand from overseas.

Scottish Games plan

THE total bill if the Olympic Games are held in Scotland would be £400m. to £450m. at to-day's prices, it was stated yesterday.

A decision is expected by mid-May on the proposal that they should be held in Glasgow.

The costs are outlined in a 200-page report commissioned by five local authorities—Edinburgh and Glasgow district councils, and the Central, Lothian and Strathclyde regional councils from the Scottish Development Advisory Group. If Glasgow wanted the Olympic Games in 1984, the reports says, the work of equipping the city would need to start now. Construction costs were likely to be £250m. to £300m., plus £150m. for organisation. In view of the economic climate and other problems, it might be wiser to aim for four years later—for the Olympic Games of 1988.

...DS AND DEALS

...anbre & Garton offer for Hugh Baird

... CONSENT of the Panel on ...vers and Mergers, Manbre ...Garton has unconditionally ...l to acquire for cash the ... Ordinary 5p units and the ... 5½ per cent. Cumulative ...rence £1 shares in Hugh ... and Sons held by Canada ...g.

... Baird is engaged in the ...facture and sale of malted ... for use in the brewing, ...ng and food trades.

... price for each Ordinary ... 38p and for each Prefer...hare 50p. The Ordinary ... at 17½p, up ½p yesterday. ... of the holdings represent ... cent. of the respective ... share capital of Baird. ...re already held 2,000 ...—just over 0.02 per cent. Ordinary.

...ompliance with the City ...Manbre will make uncondi... offers for the remaining ...y and Preference at the ...rices.

... consideration for the ...y will be in cash or ...y units in Manbre with a ...lternative equivalent to ...

... Alistair Annand, chief ...e of Manbre said the ...ion was entirely comple... with Manbre's existing ...s. It was already a major ... to the food and drinks ... through its interests in ...anufacture of glucose, ...nd sugar products.

...malting business of Baird ... Manbre's participation ... brewing and distilling .... It made a "signifi...ddition to Manbre's range ...ducts and provided a diversification.

...Warburg and Co. will send formal offer documents as ... practicable.

...KS. CHEMICAL ... SALE

...aire Chemicals announces ...has sold with effect from ... the business of its ...s division to Borden ...of Southampton.

... consideration is about ... of which £300,000 is in ... of stock and book debts, balance, £300,000 is payable immediately and £450,000 free of interest by equal instalments over the next three years.

It is the directors' opinion that profits from the adhesives division would have been about 3½ per cent. of total group pre-tax profits of Yorkshire for its last completed financial year.

The directors are satisfied that the decision to concentrate on manufacture of products sold to the textile and leather industries will ensure the group's available and prospective resources will be directed in to the business areas which have the "greatest potential for profitable growth."

EMU WINE BOARD NOW RECOMMENDS HARDYS BID

The Boards of Emu Wine Holdings and Thomas Hardy and Sons Pty. have now agreed that the offer of 182½p on behalf of Hardys for all the Ordinary units of Emu will be declared unconditional provided that Hardys acquires (whether by acceptances or otherwise) more than 50 per cent. of the issued capital.

The Emu Board now no longer recommends the W. A. Wool offer of 170p and recommends the Hardys offer. It will withdraw its own acceptances and strongly advises any other holders who have also accepted W.A. Wool to do likewise as soon as possible.

Hardys' offer is open for acceptance until April 7. The Board of Emu has undertaken that, in the event of the offer becoming unconditional, it will appoint sufficient new directors nominated by Hardys to constitute a majority of the Board at that time.

ARMITAGE SHANKS ACQUISITION

Armitage Shanks Group is acquiring a 60 per cent. interest in Harrison-Monobond and its associates, for 202,892 Ordinary shares ranking pari passu with the existing shares. Net tangible assets of Harrison at December 31 1975 were £295,773.

NORTH WALSHAM LAUNDRY

Swan Laundry (Norwich) is making a final offer of £1 per share for the capital of North Walsham Steam Laundry. At present, no acceptances have been received in respect of the original offer. Swan does not hold and has not acquired or agreed to acquire any shares in North Walsham.

PONTINS £0.8M. ACQUISITION

Pontins' subsidiary, Holiday Club S.A., has completed the acquisition of Hotelera Los Domingos from Finatourinvest Compagnie Financier Pour Les Investissements Touristiques for a consideration valued at £805,000.

The consideration consists of the transfer of Finatourinvest of its 13,350 shares without par value held by Holiday Club, plus 2.5m. new Ordinary Pontins shares.

Finatourinvest has agreed to restrictions imposed by the Bank of England on the free sale of approximately 75 per cent. of the new shares. They will be gradually freed from restrictions over a period ending June, 1978.

JAPANESE STAKE IN HYFIL

Bristol Composite Materials has reached agreement whereby Toray Industries of Japan will subscribe £225,000 for new shares in the company's carbon-fibre manufacturing subsidiary, Hyfil as a result it will own 49 per cent. of the enlarged capital.

Hyfil will continue to manufacture carbon-fibre and related products at Avonmouth, Bristol.

COMMON BROS.

Common Brothers Group announces that the London shipbroking interests are to be consolidated, with the forthcoming merger of Common Brothers (London) and Armstrong Shipping a controlling interest in which was acquired last year. The new company will be known as Common Brothers Armstrong Shipping.

Guidance on opting out of State pension plan

BY ERIC SHORT

THE OCCUPATIONAL Pensions Board this week is sending to employers and those professionally responsible for running occupational pension schemes detailed official guidance concerning the arrangements for contracting out of the Government's new pension scheme.

Under the Social Security Pensions Act 1975, the new State scheme, which starts in April 1978, will provide two-tiered pensions—a basic flat rate and an earnings related portion. Employers can, however, contract their employees out of this second earnings-related part and opt for a private scheme, subject to certain conditions.

The Occupational Pensions Board is responsible for issuing a contracted-out certificate and has the duty to ensure that these conditions have been fulfilled.

The guidance issued by the OPB consists of three memoranda—numbers 29, 30 and 31. The first sets out the requirements which must be met in the private scheme rules if it is to be used for contracting out. The second explains to employers the procedure for obtaining a contracting out certificate, while the third discusses how the OPB will ensure that such schemes make adequate financial provision for the pension and other benefits which have to be provided.

The three memoranda are being sent automatically to more than 4,500 organisations and individuals on the Board's mailing list. Copies can be obtained from the Executive Office, Occupational Pensions Board, Apex Tower, High Street, New Malden, Surrey KT3 4DN.

Teflon, Tefzel to cost more

DU PONT (U.K.) is to raise the prices of its Teflon and Tefzel copolymers by up to 16 per cent. from April 1.

The company says that the new prices are required because of increased costs of raw materials, labour and energy for the parent company in the U.S. which manufacturers the products.

INTERNATIONAL COMPANY NEWS + EURO MARKETS

Second Maritime Fruit ship held

BY HILARY BARNES — COPENHAGEN, March 25.

A SECOND ship belonging to the Israeli-American shipping group Maritime Fruit Carriers (MFC) has been arrested at the request of the Danish Ship Mortgage Institute, acting for the Aalborg Shipyard, according to sources here.

Yesterday it was revealed here that the refrigeration ship Gladiola was arrested in Hamburg on March 18. A sister ship, Orchid, is now being held in Rouen. These ships and two others were built by the Aalborg yard.

According to an official of the J. Lauritzen Shipping Company, which owns the yard, the two other ships will be held as soon as they put into dock.

The total outstanding debt on the four ships is Kr.125m. (about £10.6m.) but the yard only stands to lose Kr.25m. (£2.1m.) as the remainder of the sum is covered by a guarantee from the Export Credit Council. The ships were financed through the Ship Mortgage Institute.

Managing director Joergen Clausen, of Lauritzen, said that he hoped MFC would be able to find security for the yard's debts and that the ships would be able to go back into service.

"We are not on the warpath," he said, "but we cannot see why the yard should be left with the debt." Although MFC has asked for a moratorium for six months, he said the group could see little prospect of a change in MFC's situation in this time.

The yard lost a lot of money on the four ships, which were built in 1972 to 1973 on fixed price contracts, and is not in a position to take any further losses on them, he said.

The liquidity position of the yard in the current difficult situation for the world shipbuilding industry is crucial to its chances of obtaining new orders, said Mr. Clausen, who revealed that the yard is currently negotiating on a big new order in which the yard's liquidity situation can play a decisive role.

The yard tried to secure its position by asking the Export Credit Council to increase its guarantee on the ships from 80 to 100 per cent., but when the request was put by the Ministry of Commerce to a Parliamentary committee, the committee turned it down, in spite of strong pressure from the minority Social Democratic Government. As one source said, "They evidently did not feel it was worth putting money on a horse which has already bolted."

MFC has so far only defaulted on one payment to the yard, a payment due last year in November.

Aluminium Company of Canada to raise $30m.

FINANCIAL TIMES REPORTER

ALUMINIUM Company of Canada, a wholly owned subsidiary of Alcan Aluminium, is raising $30m. on the Eurobond market. The issue will mature in 1988. Lead manager is Morgan Stanley International.

Aluminium Company of Canada is responsible for Alcan's operations in North America and the Caribbean. The proceeds of the issue will be added to the company's general funds.

The European Investment Bank's $100m. issue in New York has been priced at 99¾ per cent. on a coupon of 8¾ per cent. Maturity is eight years.

Kloeckner seen as recovery prospect

BY GUY HAWTIN — FRANKFURT, March 25.

THERE WILL be no 1974-75 dividend for Kloeckner-Werke shareholders, following a heavy decline in profits during the past business year. They can, however, derive a good deal of comfort from the fact that the Executive Board is expecting a measurable up-turn in demand during the current 12 months.

The latest figures from the Duisburg-based steel making and processing concern do much to confirm the belief by many stock market analysts here that Kloeckner is a leading 1976 recovery prospect. The 1973-74 6 per cent. dividend was depressed by teething troubles at the group's new Bremen mill, and these are now a thing of the past.

In 1973-74, balance-sheet profits remained unchanged at DM21.3m. only after some DM500,000 of the previous year's undistributed earnings had been added to a net of DM20.8m. An idea of the damage the Bremen works teething troubles inflicted on earnings can be gleaned from the management's estimate that if the planned 257,000 tonnes a month works had produced only 10,000 tonnes a month more, steel earnings would have been up by DM30m. to DM40m.

It was, perhaps, unfortunate that the solution to the Bremen works' problems coincided with the slump in steel demand. Bremen had only been producing at 65 per cent. capacity, when Kloeckner could have sold every gramme of steel it could make. By the time the troubles had been ironed out, the bottom had fallen out of demand.

For 1974-75 the balance-sheet profit totalled only DM500,000, insufficient for the concern's supervisory and executive Boards to recommend a dividend payment. At the same time the parent concern's turnover had fallen back from DM2.716bn. to DM2.7bn. and the group's external turnover had dropped from DM3.307bn. to DM2.984bn.

The losses really occurred in the steel making sector. But although 1974-75's rolled steel output fell back by 16 per cent. this was by no means as small a decline as the average for the West German steel industry. No doubt the restricted production in the previous business year played some part in this.

Attrition was really noticeable in the rolled steel branch in the final quarter of the year, according to Dr. Herbert Gienow, the chief executive. By then output, which had held up well in the first quarter, had fallen by 29 per cent. compared with the previous year.

Production in the overall iron and steel making sector held up reasonably well in the first half, but dropped by 17 per cent. in the second half. Exports were more than a third down on the 1973-74 total. Output of crude steel dropped by 9.6 per cent. over the 12 months.

Dr. Gienow said that not even his oldest colleagues could remember such a heavy drop in demand and earnings in the rolled steel sector. Even the strongest savings measures had failed to offset the increase in costs and steep drop in demand.

The bright spot in the year was the processing sector which had produced an increase in business, profits and employment. The concern's long-established diversification policy, coupled with the previous year's structural improvement measures, had led to an improvement in earnings which had done much to off-set losses in the steel making sector.

Dr. Gienow was far more sanguine about Kloeckner's 1975/76 projects. After a long patch of grey the "steel sky was now showing a somewhat friendlier colour." There was a noticeable upward trend in both volume and prices, he said.

Since the beginning of the new business year, the German steel works had—for the first time for 15 months—been booking more orders for rolled steel than in the same months of the previous year. In the first five months of the business year, compared with the second half of 1974/75, orders for rolled steel had risen by 23 per cent.

Compared with 1973/74, orders were still down 15 per cent. and, at the same time, there had been no great improvement in exports to third countries. The overall order book, which had gone up by 40 per cent. since the end of the previous business year, was still a quarter below the level of September 1974.

The improved order position had led to a 8 per cent. increase in rolled steel output in the first five months of the new business year compared with the figures for the second half of 1974/75. But improved orders were taking their time to work their way through and turnover in the iron and steel sector in the first five months were still 18 per cent. under the second half 1974/75 level.

With the steel manufacturing sector improving surely—but slowly — Kloeckner reported with satisfaction that the processing sector was bearing up well. Demand was relatively weak in steel processing but demand was higher than ever before for plastics and machinery.

Dr. Gienow was unwilling to predict whether shareholders could expect a dividend for 1975/76. He pointed out that nobody could say how fast the upswing would come or how sustained it would be. Kloeckner, he said, was still operating in the red and their first aim was to work their way back to covering costs.

Merrill Lynch to contest order

BY JAY PALMER — NEW YORK, March 25.

MERRILL LYNCH, the world's largest brokerage house, has been ordered by a U.S. Federal court to pay damages of $3.4m.

The ruling, which Merrill Lynch has indicated it will contest in a higher court, concerned the firm's decision to buy its own shares back from the estate of a dead employee just before it was publicly announced that the brokerage house would offer its shares to the public.

The brokerage house to-day described the ruling as "terribly wrong and flying in the face of the facts and applicable law." A spokesman added "It shows a gross misunderstanding of how corporate decisions are developed and implemented."

Judge Meredith of the St. Louis Federal court argued that Merrill Lynch's senior officers had knowingly and wilfully defrauded the heirs of Mr. Kenneth Bitting, the founder of the firm's St. Louis office, by purchasing his holding in the company without telling executors that this was about to triple in value.

The judge said that Donald Regan, Merrill Lynch's chairman, and two other now-departed senior officers had decided in early 1970 that Merrill Lynch would shortly go public but that this decision was not publicly announced until April 1971. In the meantime, the firm purchased 670,000 shares from Mr. Bitting's estate and so netted an eventual profit of $38m.

Substantial drop in SSSF earnings

BY WILLIAM DULLFORCE — STOCKHOLM, March 25.

SSSF, the South Swedish Forest owners' Association, whose take-over of the Klippan Paper Company was reported in the Financial Times on Tuesday, shows a substantial drop in earnings in its final report for 1975. After a 6 per cent. fall in turnover to Kr.1.9bn. (£224m.) the pre-tax profit amounted to Kr.187m. (£22m.) compared with Kr.348m. during 1974, a boom year for the Swedish forestry industry.

The return on capital employed was down from 29 per cent. to 16 per cent., which was still 1 per cent. higher than in 1973, and the SSSF management regards the 1975 result as good in view of the conjunction of substantial cost increases with a sales decline. Delivery volumes fell for all SSSF products, of which 55 per cent. are exported. Earnings were rescued by the higher prices obtained for chemical pulp, which accounts for over half of turnover.

SSSF, which is Europe's largest exporter of chemical pulp, is a producer co-operative embracing 44,000 forest owners. Its pricing policy is of particular interest. Thus, in spite of the market decline in 1975, it maintained the price paid to its members for pulp logs and actually increased saw log prices by 15 per cent. at the same time as its own sales prices on timber goods dropped by an average of 25 per cent. There was also only a marginal fall in the dividend, Kr.24.9m. (£2.93m.), paid to its members.

Managing director Lennart Schotte says that SSSF's pricing policy is to even out the effect of business fluctuations, both for its members and for customers. However, while the policy last year was successful for pulp sales, where a 30 per cent. price increase offset a 25 per cent. drop in deliveries, it did not prevent timber prices falling.

It also meant that unsold goods to an estimated value of Kr.272m. (£32m.) were added to stocks during the year. Pulp stocks, for instance, rose from 32,000 tonnes to 158,000 tonnes equivalent to about one-fifth of annual capacity, while timber stocks at the end of the year equalled nearly eight months' production.

Mr. Schotte foresees little room for a reduction in stocks this year, but still expects to maintain earnings at the 1975 level or even to improve them slightly. Demand for timber has shown an upturn and prices should rise, although the saw mills will probably have to cut output by 30 per cent. in the first half of the year and by 15 per cent. in the second half. Pulp production could even be increased during the second half, Mr. Schotte believes, while SSSF's stock situation should give it an advantage in 1977, when the real recovery in demand is expected to set in.

Billerud earnings fall

BY WILLIAM DULLFORCE — STOCKHOLM, March 25.

PRE-TAX earnings for Billerud, the Swedish forest industry concern, tumbled from Kr.323m. in 1974 to Kr.63m. (£7.4m.) last year after a drop of over 23 per cent. in sales to Kr.1.18bn. (£138m.), according to preliminary figures released to-day. The company says this result is in line with its forecast in September that earnings would be at the same level as in 1973, when pre-tax profits were Kr 97m. The difference arises from the switch to cost calculated depreciation in 1974, it is stated.

Stock profits were only Kr.22m. in 1975 against Kr.66m. in the previous year, producing a profit after extraordinary items before tax and allocations of Kr.87m. compared with Kr.388m.

Adjusted earnings per share fell from Kr.71.70 in 1974 to Kr.14.20 last year. The Board proposes to pay a dividend of Kr.8.50 per share on the increased share capital compared with Kr.9 per share in the previous year. A one-for-six bonus and a new share issue amounting to Kr.1.2m. to a staff trust fund were made last year.

The concern's major products—pulp, paper packaging materials and timber—all experienced considerable reductions in profitability last year with only power production and the Portuguese subsidiary maintaining earnings at the 1974 level.

Demand is expected to pick up gradually in 1976 but costs have already risen sharply since the beginning of the year. The Board anticipates an improvement in earnings in the second half of the year after a further weakening during the first six months, leading to a final result of about the same size as in 1975

Bradken battle hots up

BY JAMES FORTH — SYDNEY, March 25.

THE BATTLE for control of Bradken Consolidated heated up to-day with all parties concerned firing off statements. This followed Comeng Holdings' purchase of a 9 per cent. parcel in Bradken which virtually put paid to the chances of Australian National Industries (ANI) succeeding with its current partial takeover bid.

The Comeng purchase, which gave Comeng a 34.7 per cent. interest in Bradken, slightly ahead of ANI's 32.7 per cent. equity, came as a surprise because the Trade Practices Commission last year twice rejected attempts by Comeng to take Bradken over.

ANI bitterly called on the TPC to state its position publicly on the Comeng purchase and to say whether Comeng and the Bradken Board were allowed to buy any more shares.

ANI said it believed there was a "close association" between Comeng and the shares influenced by the Bradken Board and that between them they controlled 48 per cent. of Bradken's capital. The Comeng move made it "pointless" from a commercial point of view to proceed with the bid for 1m. Bradken shares, which would give ANI a 53 per cent. interest in Bradken.

ANI managing director, Mr. John Leard, said it was ANI's impression that Comeng could not buy any further Bradken shares after the TPC rebuffed its takeover attempts last year. "If the Commission allows this latest acquisition to stand, it must raise very grave doubts as to what the Commission's decisions really mean."

Undeterred, the TPC released a statement saying that it did not intend to stop the Comeng purchase.

The Commission said its previous decision was that Comeng should not acquire control of Bradken. It would be "very concerned" if there were any further share purchases or other moves towards that end by Comeng, either alone or in concert.

Strong turnaround at H. C. Sleigh

BY JAMES FORTH — SYDNEY, Ma

H. C. SLEIGH, diversified shipping, petroleum and investment group, staged a strong turnaround in the December half year, transforming a loss of $A2.6m. into a $A3.7m. profit. The loss in the 1974 December half was the first in the group's eighty year history. The company is confident the recovery will continue in the current half and earnings for the full year will top the previous record of $A5m. set in 1968-69.

Dividends were omitted last year after profits for the full year dipped from $A3.5m. to $A390,000. However, directors declared a special interim dividend of 2 cents a share in November last year, because the current year had already started well, and they forecast a second interim payment if the trend continued.

Sleigh has now decided on a second interim of 1.5 cents, making 3.5 cents to date. A final of 2 cents is considered probable which would mean a total payout of 5.5 cents, compared with the last payout of 4 cents in 1974.

The latest turnaround came on a 2.5 per cent. lift in sales to $A128m., which which came from petroleum; from exports and $A6.7 other sources.

Sleigh said petroleur were being favourably by the Prices Jus Tribunal's attitude to price increases re promptly when cost were demonstrated.

Industrial and co petroleum product con is expected to improve in the current hal reasonably good profits pected from shipping.

Sleigh also disclosed moving into coal. It ha 10.1 per cent. interest in South Wales group, Wh tries and will handles and export sales on its

Referring to a possi over of U.S.-controlle Australia, an offshoot dard Oil Indiana, wit Petroleum, the directors if the deal was con would represent a signi valuable expansion. It within the financial ca Sleigh and would enha ings. A take-over would cost about $A10

Cockerill borrowing speculation

SA COCKERILL-Ougree-Providence et Esperance-Longdoz is expected to resort to public and private sector borrowing following the company's 1975 net loss of B.Frs.3.94bn. (profit 743m.), sources close to the company said.

However, they said that Press reports that Cockerill is seeking B.Frs.3bn. for its reserves and a further B.Frs.1m. of working capital are premature and imprecise, Reuter reports from Liege.

The sources noted that but for the sale of Cockerill's 21.97 per cent. stake in Sidmar SA to Acieries Reunies de Burbach-Eich-Dudelange SA (ARBED) of Luxembourg for around B.Frs.3bn., losses would have been far greater

The sources said that the company's financial position is basically sound and it should have little difficulty raising money both privately and from the state-backed Societe pour l'Investissement dans l'Industrie.

They said that the company plans a big drive into the speciality steel market rather than relying too much on traditional products. They noted that Cockerill's French subsidiaries already get a good return from sales to the automobile industry in this sector.

Rhone-Poulenc switch

PART OF Rhone-Poulenc Textiles SA's plant at Albi will switch from production of synthetic fibre to making of tape recorder cassettes, a spokeswoman said.

L'Entreprise Pyral S the Rhone-Poulenc gr take over one of the at the plant previously the production of vi added.

Details of costs are able, Reuter reports fr

Hanimex profits

HANIMEX net pr $A1.52m. ($A1.015m.) half-year to December extra-ordinary items o ($A30,00 1).

Group sales/gross was $A36.9m. ($A30.2 ciation $A331,000 (and taxation ($A333,000). The i unchanged at five cents payable on April 3 reports from Sydney.

Australian and merchandising division increased sales and pi result partly of impi sumer demand but m tantly from increase shares achieved, dire

They expect overs diaries' improvement tinue during the cur The company's factory Ireland, is now neari tion, and operations ar to commence about

The directors add look forward with con only to satisfactor during the current ye to sound growth for

Westinghouse qualifie

BY OUR NEW YORK STAFF

AUDITORS for Westinghouse Electric, one of the U.S's larger producers of electrical equipment, and of nuclear power plant equipment and fuel, have qualified the company's annual report.

Westinghouse has been unable to fulfil uranium supplying contracts with 17 utility companies, arguing that it is excused from fulfilling them because it would not be "commercially viable." The company signed the contracts when uranium averaged $9.50 a pound; its recent market value was $40.00 a pound. The company is now about 65m. pounds short.

Price Waterhouse ar in the report: "Becau certainties pertaining (legal disputes over th contracts) . . . the eve come and potential effect cannot be pred accordingly, no provis been recorded in the co financial statements."

The report further s the corporation is n successful (in being from the contracts) granted only partial r its alleged contractu tions, the financial im be severe."

Substantial losses confirmed for Japan investment in Abu Dhabi Oil

BY PETER DUMINY — TOKYO, M

JAPAN'S $780m. investment in Abu Dhabi Oil has produced a $100m. headache for Japan Oil Development (Jodco), the managing director, Mr. Akira Nishida, said to-day. He was confirming reports that Jodco, formed in 1972 to acquire a 30 per cent. stake in an Anglo-French concession, will report a $57m. loss for calendar year 1975, after tax and royalty payments.

This is the latest misfortune to strike an ill-starred Japanese investment which has already yielded accumulated losses of $42.5m., and to whose problems there appear to be no solutions under existing marketing and financial arrangements.

Jodco joined BP and CFP in the venture, Abu Dhabi Marine Areas, after a German prospector had turned down the opportunity. Since then the economics of the operation have been drastically altered by, among other things, a 60 per cent. share in the operation acquired by the Abu Dhabi government. Since the beginning of 1975 Jodco's equity stake has been only 12 per cent.

The 1975 results will show an operating surplus of $143m., but the interest burden will absorb $45m. and payments to the Abu Dhabi government another $133m. Jodco has ten shareholders including the Japanese government (through the Japan Petroleum Development Corporation), and is often described as representing the "natural resources wing of Zaikai" (the business establishment).

According to independent industry sources, probably half Jodco's investment in Abu Dhabi has been government money. The decision to go into the project had obvious political aspects, but set up an essentially commercial controversy which has persisted ever since. The more severe critics say that BP probably had a fair idea which way nationalist winds were blowing when it decided to lighten its approximately two-thirds stake in the concession, and that the Japanese ought to have been more percipient themselves.

Mr. Nishida says the way the problems can be overcome is by increased production (requiring more capital), and by revision of the financial conditions in negotiations with the Abu Dhabi government.

Other industry sources do not see any of this happening soon, however, in view of the probable attitudes of the partners, not to mention the demands of international oil diplomacy.

In the short run it seems that Jodco may have to look for a moratorium from its bankers, unless it can get a large increase in its government support. That however could be expected to come with strings possibly involving abs some of the oil explor appeared in profusion 1973 oil shock, but floundering.

Present production Dhabi is 450,000 barr This compares wit barrels a day when Jo the venture. Producti have risen to 800,000 i 1.2m. by 1983.

Amex bank and Euromoney

FINANCIAL TIMES REPORTER

AMEX BANK has joined forces with the magazine *Euromoney* to produce a monthly publication on Euromarket syndicated loans.* The publication will consist of lists of loans indexed according to nationality of borrower, lists of banks which have participated in loans to borrowers from any single country, and copies of tombstone advertisements of syndicated loans. An initial subscription will include information for the period since end-1972.

The publication is limited in scope. It covers only publicised loans, and will not include such details of individual loans as maturities and spreads.

* Amex Euromoney Syndication Guide. Tallis House, Tallis Street, London, EC4Y 0JA. Price: $295 for eight monthly issues this year and $440 for the full 12 issues next year.

SELECTED EURODOLLAR BOND PI

MID-DAY INDICATIONS

STRAIGHTS	Bid	Offer
Aquitaine 10pc 1985	103	104
Ashland 8pc 1987	94½	95½
Austraswiss 8pc 1987	92¾	93¾
Borregaard 8½pc 1986	95½	96½
Broken Hill 10pc 1990	103¼	104¼
Carrier 8pc 1987	92¾	93¾
Conoco 8pc 1988	99½	100½
Consol. Foods 7½pc 1991	90½	91½
Cutler-Hammer 8pc 1987	94¾	95¾
EIB 9½pc 1983	102	103
Erap 9½pc 1985	102½	103½
Esso 8pc 1986 Nov.	101	102
General Cable 8½pc 1987	91½	92½
General Motors 8½pc 1988	103	104
Granges 9½pc 1985	100¼	101¼
Gte 9½pc 1988	99	100
New Zealand 9½pc 1982	102	103
Pacific Light 8pc 1988	95	96
Prov. of Quebec 7½pc 1983	91	92
Quebec Hydro 8½pc 1980	98	99
Queensland 8½pc 1987	92½	93½
Scanraff 8½pc 1988	98½	99½
Shell 8pc 1988	99½	100½
Stand. Oil (Ind.) 8½pc 1988	101	102
Tenneco 7½pc 1987	91½	92½
Transocean 8pc 1988	98½	99½
Utah 8pc 1987	95½	96½
Volvo 9½pc 1985	102	103
NOTES		
Air France 9½pc 1982	103	104
Ardal 9½pc 1980	102½	103½
Australia Ind. 10½pc 1981	104½	105½
Barclays 9½pc 1982	101½	102½
Cie Nat. Rhone 10pc 1982	103½	104½
Du Pont 7½pc 1978	101½	102½
Esso 7½pc 1978	101½	102½
General Motors 8½pc 1976	100	101
Montreal 9½pc 1981	102½	103½
Nippon Steel 9½pc 1980	101½	102½
Norway 8pc 1980	103½	104½
Skandinaviska E. 10½pc '81	103½	104½

Source: White Weld Securities.

CONVERTIBLES
American Express 4¼pc '87
Ashland 5pc 1988
Beatrice Foods 4½pc 1992
Beatrice Foods 4½pc 1992
Borden 5pc 1992
Broadway Hale 4½pc 1987
Carnation 4pc 1987
Chevron 5pc 1988
Dart 4¾pc 1987
Eastman Kodak 4½pc 1988
Economic Labs. 4½pc 1987
Fed. Dept. Stores 4½pc '85
Firestone 5pc 1988
Ford 6pc 1988
Ford 5pc 1989
General Electric 4¼pc 1987
Gillette 4¾pc 1987
Gould 5pc 1987
Gulf and Western 5pc 1988
Harris 5pc 1992
Honeywell 6pc 1986
ITT 4½pc 1987
Komatsu 7½pc 1990
J. Ray McDermott 4¾pc '87
Mitsubishi Elec. 7½pc 1991
Mitsui 7½pc 1990
J. P. Morgan 4½pc 1987
Nabisco 5½pc 1988
Owens Illinois 4½pc 1987
J. C. Penney 4½pc 1987
Pioneer 6½pc 1989
Revlon 4½pc 1987
Reynolds Metals 6pc 1988
Sperry Rand 4½pc 1987
Squibb 4½pc 1987
Texaco 4½pc 1988
Toshiba 6½pc 1990
Union Carbide 4½pc 1982
Warner Lambert 4½pc 1987
Warner Lambert 4½pc 1988
Xerox 5pc 1988

Source: Kidder Peabody S

World Value of the Dollar

The table below gives the latest available rates of exchange for the U.S. dollar against various currencies as on Wednesday, March 24. These exchange rates have been compiled by Bank of America NT & SA's world-wide network of branches from various sources. Exchange rates listed are middle rates between buying and selling rates as quoted between banks. Where a multiple exchange rate system is in operation (m), the rate quoted is the commercial rate unless otherwise indicated. All currencies are quoted in foreign currency units per one U.S. dollar except for U.K. sterling (and those currencies at par with sterling) which is quoted in dollars per sterling unit. These rates are asterisked.

All rates quoted are for indication purposes only and are not based on, and are not intended to be used as a basis for, particular transactions. By quoting the following exchange rates, Bank of America NT & SA does not undertake to trade in all listed foreign currencies and does not assume any responsibility for any errors in the table below.

Bank of America
Eurodollar Libor as of March 25 at 11.00 a.m.
3 months: 5½   6 months: 6⅞

SDR1=$US1.15533

Country	Currency	Value of DLR
& Issas	Djibouti Franc	186.5283
nistan	Afghani (o)	45.30
ia	Lek (m)	5.94
ia	Dinar (a)	4.1502
ra	Fr. Franc	4.6975
	Sp. Peseta	67.12
a	Ang. Escudo	29.29
a	E. Caribbean $	2.4901
tina	Ar. Peso (o)(+)	140.17
dia	Australian $	0.8006
a	Schilling	18.385
	Port. Escudo	29.28
nas	Ba. $	1.00
adesh	Taka	15.7093
n	Dinar	0.3958
ic Is.	Sp. Peseta	67.12
dos	Barbados $	2.0025
m	B. Franc (m)	38.75
	B $	2.0751
	C.F.A. Franc	234.88
da	Bda. $	1.00
n	Indian Rupee	8.9365
	Bolivian Peso	20.20
ana	S.A. Rand	0.8695
	Cruzeiro	9.5750
Inn. Te.	Australian $	0.8006
gin Is.	U.S. $	1.00
	Brunei $	2.4860
ia	Lev	0.96
	Kyat	6.5997
	Burundi Franc	78.50
dia	Riel (a)	10,800.0
oun Rp.	C.F.A. Franc	234.88
a	Canadian $	0.9846
Is.	Sp Peseta	67.12
Verde Is.	Cape V. Escudo	29.28
n Is.	Cay. Is. $	0.8330
f. Rp.	C.F.A. Franc	234.88
	C F.A. Franc	234.88
	Ch. Peso (m)	10.90
	Renminbi Yuan	1.9642
bia	Col. Peso (m)	33.945
os I'ds	C F.A. Franc	234.88
(B'lle)	C.F.A. Franc	234.88
Rica	Colon	8.57
	Cuban Peso	0.8289
	Cyprus £	0.4087
oslovakia	Koruna (m)	5.75
ark	Danish Krone	6.1065
ica	E. Caribbean $	2.4901
Rep.	Domin'cn Peso	1.00
or	Sucre (o)	25.00
	Egyptian £	0.3905
	Ethiopian $	2.0855
Guinea	Peseta	67.12
nd Is.	Falkland Is. £*	1.9276
Is.	Danish Krone	6.1065
	Fiji $	0.8000
	Markka	5.5320
	French Franc	4.6975
rica Af.	C.F.A. Franc	234.88
niana	Local Franc	4.6975
c. Is.	C.F.P. Franc	85.49
	C.F.A. Franc	234.88
a	Dalasi	2.0751
ny (E)	Ostmark (m)	2.5380
ny (W)	Deutschemark	2.5380
	Cedi	1.1538
ar	Gibraltar £*	1.9276
& Ellice Is.	Aust. $	0.8006
	Drachma	35.898
and	Danish Krone	6.1065

Country	Currency	Value of DLR
Grenada	E. Caribbean $	2.4901
Guadaloupe	Local Franc	4.6975
Guam	U.S. $	1.00
Guatemala	Quetzal	1.00
Guinea Rep	Syli	20.33
Guinea Bissau	Peso	29.28
Guyana	Guyanese $	2.5614
Haiti	Gourde	5.00
Honduras Rep.	Lempira	2.00
Hong Kong	H.K. $	4.9670
Hungary	Forint (m)	20.65
Iceland	I. Krona	176.10
India	Ind. Rupee	8.9365
Indonesia	Rupiah	415.0
Iran	Rial	69.775
Iraq	Iraq Dinar	0.2961
Irish Rep.	Irish £*	1.9276
Israel	Israel £	7.32
Italy	Lira	875.0
Ivory Coast	C.F.A. Franc	234.88
Jamaica	Jamaican $	0.9091
Japan	Yen	299.70
Jordan	Jdn Dinar	0.331
Kenya	Ken. Shilling	[illegible]
Korea (Nth.)	Won (a)	0.94
Korea (Sth.)	Won	484.0
Kuwait	Kuwait Dinar	0.2945
Laos	Kip (a)	5,000.0
Lebanon	Lebanese £	n.a.
Lesotho	S. African Rand	0.8695
Liberia	Liberian $	1.00
Libya	Libyan Dinar	0.2961
Liechtenst'n	Swiss Franc	2.5592
Luxembourg	Lux. Franc (m)	38.76
Macao	Pataca	5.0655
Madeira	Port. Escudo	29.28
Malagasy Rp.	MG Franc	234.88
Malawi	Kwacha	0.9056
Malaysia	Malaysian $	2.5605
Maldive Is.	Mal. Rupee	8.1700
Mali Rp.	Mali Franc	234.88
Malta	Maltese £	0.4198
Martinique	Local Franc	4.6975
Mauritania	Ouguiya	46.94
Mauritius	M. Rupee	6.6754
Mexico	Mexican Peso	12.4906
Miquelon	C.F.A. Franc	234.88
Monaco	French Franc	4.6975
Mongolia	Tugrik (m)	3.3555
Montserrat	E. Caribbean $	2.4901
Morocco	Dirham	4.4144
Mozambique	Moz. Escudo	29.28
Nauru Is.	Aust. $	0.8006
Nepal	Nepalese Rupee	12.525
Netherlands	Guilder	2.6975
Neth. Antilles	Antillian Guild	1.80
New Hebrides	Aust. $	0.8006
	Fr. Franc	4.6975
N. Zealand	NZ $	0.9740
Nicaragua	Cordoba	7.0252
Niger Rp.	C.F.A. Franc	234.88
Nigeria	Naira	0.6265
Norway	Nrwg. Krone	5.5400
Oman Sultanate of	Rial Omani	0.3454
Pakistan	Pkst. Rupee	9.9043
Panama	Balboa	1.00
Panama Canal Zone	U.S. $	1.00
Papua N.G.	Kina	0.8006

Country	Currency	Value of DLR
Paraguay	Guarani (m)	126.0
P'ple D. Rp. of Yemen	S. Yemen Dinar	0.3454
Peru	Sol	45.0
Philippines	Ph. Peso	7.4300
Pitcairn Is.	NZ $	0.9762
Poland	Zloty (m)	19.71
Portugal	Port Escudo	29.28
Port Timor	Timor Escudo	29.26
Principe Isle	Port. Escudo	29.25
Puerto Rico	U.S. $	1.00
Qatar	Qatar Ryal	3.9525
Reunion Ile de la	French Franc	4.6975
Rhodesia	Rhd. $	0.617
Romania	Leu	4.97
Rwanda	Rwanda Franc	92.84
St. Christopher	E. Caribbean $	2.4901
St. Helena	£ Sterling*	1.9276
St. Lucia	E. Caribbean $	2.4901
St. Pierre	C.F.A. Franc	234.88
St. Vincent	E. Caribbean $	2.4901
Salvador El	Colon	2.50
Samoa (Am.)	U.S. $	1.00
San Marino	Italian Lira	875.0
Sao Tome	Port Escudo	29.28
Saudi Arabia	Ryal	3.5232
Senegal	C.F.A. Franc	234.88
Seychelles	S. Rupee	[illegible]
Sierra Leone	Leone	[illegible]
Singapore	Singapore $	2.4875
Somali Rep.	Som Shilling	6.2950
Sth Africa	Rand	0.8695
S.W. Africa Territories	S.A. Rand	0.8695
Spain	Peseta	67.12
Span. Ports in N. Africa	Sp. Peseta	67.12
Sri Lanka	S.L. Rupee	8.1700
Sudan Rp.	Sudan £	[illegible]
Surinam	S. Guilder	1.80
Swaziland	Emalangeni	0.8695
Sweden	S. Krona	4.4100
Switzerland	Swiss Franc	2.5592
Syria	Syria £	3.6750*
Taiwan	New Taiwan $	37.97
Tanzania	Tan. Shilling	8.2755
Thailand	Baht	20.40
Togo Rp.	C.F.A. Franc	234.88
Tonga Is.	Pa'anga	0.7167
Trinidad	Trin & To'go $	2.4001
Tunisia	Tunisian Dinar	0.4318
Turkey	Turkish Lira	15.50
Turks & C's	U.S. $	1.00
Uganda	Ug. Shilling	8.2785
Utd Kingdom	£ Sterling*	1.9276
Un'd A'b Emir	U.A.E. Dirham	3.9425
USSR	Rouble	0.7575
Upper Volta	C.F.A. Franc	234.88
Uruguay	Urug. Peso (m)	2.955
Vatican	Italian Lira	875.0
Venezuela	Bolivar (m)	4.29
Vietnam (N)	Dong (a)	2.26
Vietnam (S)	Piastre (a)	2.26
Virgin Is. U.S.	U.S. $	1.00
Western Samoa	Samoan Tala	0.8066
Yemen	Ryal	4.5500
Yugoslavia	New Y. Dinar	17.97
Zaire Rp.	Zaire	0.5633
Zambia	Kwacha	0.6435

n.a. Not available. (m) Multiple exchange rate system (commercial rate used). (a) Approximate rate. (o) Official rate. * U.S. dollars per sterling unit. + Argentine peso: effective March 5, 1976, Exchange rate system merged, now only two rates. Official rate and tourist rate.

NORTH SEA GAS REVIEW

BY RAY DAFTER

More than a five-minute wonder

IT HAS been quite a week for British Gas. The Corporation started the ball rolling when it announced the extension of its promising gas field in the Irish Sea: the Phillips Petroleum exploration group raised hopes of further natural gas supplies when it showed that 18m. cubic feet of gas a day had been tested in the first exploration well on block 49/11A, off the Norfolk coast; and finally, it was learned that British Gas had successfully demonstrated a new process for making substitute natural gas from coal—a possible key to maintaining gas pressures when offshore supplies start to fall away.

The three developments support the Corporation's contention — made in the face of competition from the electricity and coal industries — that natural gas supplies are not a five-minute wonder. Current supply contracts are already enough to ensure that British Gas will not have to face a drop in pressure before the 1990s. By then other fields should be on stream.

No account is yet taken of reserves in the Pan Ocean Group's Brae Field, for instance. The latest tests indicate that apart from 1bn. barrels of oil, the field may contain recoverable reserves of 2 to 3 trillion cubic feet of gas. That puts Brae in the Hewett and West Sole class of gas fields. What is perhaps more important is that Brae may be used to support a new pipeline system which could gather gas from other reservoirs in that area of the North Sea.

Estimates

According to some industry estimates the latest Phillips find on block 49/11A may be of a similar size to the Brae gas reserves although further drilling will be necessary to confirm this. It is possible that the structure, lying north of the Broken Bank and Leman Bank fields, could extend into Continental Oil acreage.

It may be some time before the Phillips group carries out further drilling on the block, however. There are several reasons for this. First, Phillips already supplies up to 25 per cent. of Britain's natural gas and, as such, has a fairly heavy development programme. A new production platform has been located on the northern extension of the Hewett Field, for example, and drilling should begin in the autumn. Furthermore, Phillips still has a number of obligatory wells to drill elsewhere to fulfil licence commitments.

There could be another reason for Phillips' apparent luke-warm attitude to be the 49/11A discovery. It may well be concerned about the commercial potential of developing new gas finds. Indeed, the attitude of British Gas—the monopoly buyer of U.K. natural gas—to prices has been the centre of much controversy recently. The exploration companies complain that they are not receiving enough to warrant further drilling in times of fast rising exploration and development costs. They had made it plain they would rather look for oil than gas. At the same time the coal and electricity industries complain that domestic and industrial prices of gas are too low and insist that a tax should be imposed to bring all fuel supplies more in line.

Be that as it may, the amount of potentially exploitable gas reserves seems to be building up. The southern sector of quadrant 15, to the south of the Piper Field, is beginning to look particularly interesting. Gas has already been found on the Conoco/Gulf/British National Oil Corporation concession on 15/30. Texaco is believed to have found gas on 15/29 while Phillips is currently using the Ocean Rover semi-submersible rig to test 15/27 where hydrocarbons (possibly gas) are thought to have been encountered.

There is also the British Gas Corporation's own discovery on block 110/2 in the Irish Sea. The third well, sunk about 27 miles west of Blackpool, produced a flow rate of 10m. to 15m. cubic feet a day, a figure which the Corporation described as encouraging. If the third well encountered the same structure as the first two wells, it would indicate a field at least seven miles long. On the other hand there could be a saddle between the third and the first two wells.

Nevertheless, the tests so far indicate that British Gas has found a commercial field. Reserves ranging from 2 or 3 trillion to as much as 5 trillion cubic feet of gas have been mentioned in the industry: and the find is made even more attractive by its close proximity to the industrialised North West region and the shallow sheltered waters in that part of the Irish Sea.

Whether British Gas will go ahead with a development plan, or decide to "shut in" the field for the time being, remains a moot point, however. In general, the Corporation has adopted a cautious approach to expansion. It has preferred to try to match supplies to assured demand rather than to build up output as rapidly as possible in the hope of finding customers.

This is the rationale behind the current hiatus in the Corporation's industrial and commercial marketing activity. Last year British Gas used on average 4bn. cubic feet of natural gas a day. With suppliers committed to providing much more than this average at times of peak demand, output reached a record 6bn. cfd this winter.

But there is still very little prospect of real growth in gas sales until the Anglo-Norwegian Frigg field comes on stream next year followed in the early 1980s by the start of gas production from Shell/Esso's Brent Field.

Frigg marks the start of the next phase of British Gas expansion, however. Negotiations have now begun with possible industrial buyers of Frigg gas although supplies are not being assured until April 1978. This will give British Gas a breathing space should there be a further delay in the Frigg programme—it is already well over a year behind schedule. If Frigg starts up as envisaged in October 1977 British Gas will have extra volume to help it over the peak winter demand.

Frigg, and to a lesser extent Brent, is vital to the next stage of the Corporation's development. By the early 1980s offshore natural gas supplies should be up to an average of 6bn. to 6.5bn. cfd, with 1.5bn. to 1.8bn. cfd of the increase coming from Frigg.

Start-up of production of these two fields will also mark the beginning of a less-flexible supply arrangement. In the southern sector of the North Sea operators have accepted that they can be called on to vary the amount of field output by a fairly wide margin. This flexibility is needed not only to cope with the normal variation in daily consumption—demand in the domestic sector can range from 50 per cent. of the average to almost 160 per cent. in any 24 hour period—but also the peak of winter consumption.

In the storm-prone, deeper waters of the northern North Sea the development costs are very much higher (£1.3bn. in the case of Frigg). So are the risks. Consequently British Gas will not only have to pay appreciably more for supplies but it will have to accept that operators will want to maximise production in the early years when financing costs are heaviest.

The Corporation will find it difficult, therefore, to convince operators to hold back production in tune with demand cycles. In any case, this will be virtually impossible with fields like Brent where gas output is associated with oil production.

The outcome of this is that the British gas industry must build additional flexibility into the supply system. It already has the concept of interruptable industrial contracts — where supplies can be cut off at times of peak demand—and this is likely to remain. British Gas would also like to see the retention of at least the two power stations at West Thurrock and Hams Hall, in the Midlands, which are capable of being operated on either gas or coal feedstock.

British Gas is planning to increase its flexibility in the long term by installing substitute natural gas (SNG) capacity, initially to meet peak winter demand and eventually to take over from offshore natural gas supplies, when all the commercial reserves have been exploited.

Option

This is why the development of the new method of making SNG is so important. It will give the U.K. another option: present SNG capacity is based on naphtha feedstock. It is likely that the first big coal-fired, commercial-scale SNG plants will be built in the U.S. where demand for natural gas has already outstripped supplies. Indeed, results of the latest British Gas tests have just been presented to U.S. energy officials.

The development of SNG in the U.S. will be watched with interest by the British gas industry. For there will come a time when Britain will be in a similar position.

But with new gas discoveries still being made, with the prospect of secondary exploration below the present production strata and with the Corporation determined to husband its offshore supplies, there seems little likelihood of Britain having to rely heavily on SNG before the turn of the century.

MATERIALS USED IN U.K. GAS PRODUCTION

	1965/66	1967/68	1969/70	1970/71	1972/73	1973/74	1974/75	1975/76*
Coal ('000 tons)	17,490	13,606	5,948	3,411	579	400	28	7.3
Oil ('000 tons)	2,722	4,917	4,610	2,727	1,432	1,398	759	204.1
Liquid Petroleum Gas ('000 tons)	824	924	624	454	278	192	58	34.0
Natural Gas (m. therms)	313	662	3,065	5,227	10,482	11,760	13,419	13,470.5

* 50 weeks to mid-March.

Source: British Gas Corporation

WALL STREET + OVERSEAS MARKETS + FOREIGN EXCHANGES

Early moderate profit-taking: off 5

BY OUR WALL STREET CORRESPONDENT

NEW YORK, March 25.

MODERATE PROFIT-TAKING on Wall Street to-day halted the sharp two-day advance, and the market eased from its three year high.

By mid-day the Dow Jones Industrial Average, at 1004.01, lost 5.20 of its previous 27 points two-day rise, and the NYSE All Common Index came back 25 cents to $54.90, while declines outnumbered advances by a seven to four margin. Trading volume, however, decreased 5.72m. shares to 10.40m. compared with noon yesterday.

Some analysts said that from a technical standpoint the market yesterday and Tuesday may have gone up a little too fast and now was merely pausing to "catch its breath."

WEDNESDAY'S ACTIVE STOCKS

	Stocks traded	Closing prices	Change on day
Searle J. D.	331,100	16¼	−⅛
Texaco	433,000	26⅞	+1
Gulf Oil	397,300	24⅝	+½
General Motors	377,100	69¾	+⅛
Amer. Tel. Tel.	345,800	57⅛	−⅛
Southern Co	339,600	17⅛	+⅛
Middle S Ut	276,500	14¾	—
Wstinghouse Elec.	273,300	16¼	+¼
Stand. Oil Californ.	253,600	29¼	−1¼
Norton Simon	249,300	22	+⅛

Other analysts, meantime, believed investors became a little cautious ahead of the weekly U.S banking figures, which often provide some hint of future U.S. monetary policy and interest rate trends. The figures were scheduled to be released late in the day.

Government reports of the surging economic recovery, coupled with a favourable outlook for a number of industries this Spring and Summer have been major factors in this week's rally.

Oils, which have been pace-setters in this week's rally, were mixed. Continental Oil moved ahead $1⅜ to $67¼. Superior Oil rose $3 to $168, Atlantic Richfield were up $⅞ to $89⅞ and Exxon gained $⅝ to $49⅞. Getty Oil were up $1 to $169.

Closing prices and market reports were not available for this edition.

Haliburton, an oil-drilling firm, were off $⅞ to $132¼—it agreed to divest itself of Ebasco Services Inc., under a Consent Agreement with the Justice Department.

Heavily traded Texaco put on $¼ to $26⅞ on over 120,000 shares—it reduced prices of some diesel fuel and heating oils.

Polaroid dipped another $1 to $36⅞ on more than 135,000 shares. Eastman Kodak, off $⅞ to $116¼, is expected to introduce soon an instant camera to compete with Polaroid.

Xerox were down $1 to $61, Honeywell $1¼ to $47½, Monsanto $1¼ to $90¼, Hughes Tool $1⅜ to $45¼, Caterpillar Tractor $1⅜ to $82¼, and Colt Industries $2⅜ to $44⅞.

Du Pont were down $2¼ to $149 and U.S. Steel gave way $1⅜ to $80¼.

The American SE Market Value Index was up another 0.47 to 105.18, while turnover totalled 12.9m. (15.5m.) shares.

Imperial Oil "A" added $⅜ at $25.

OTHER MARKETS

Canada easier

Canadian Stock Markets generally eased in moderate trading yesterday morning.

The Industrial Share Index lost 0.23 to 192.36, Golds 1.13 to 308.77, Western Oils 0.25 to 211.62, Utilities 0.75 to 136.17 and Banks 1.28 to 238.34. But Base Metals rallied 0.25 to 90.18 and Papers put on 0.55 to 130.29.

Shell Canada firmed $⅛ to $16⅞ on 31,915 shares, while Imperial Oil gained $⅜ to $24½ on 28,928 shares.

PARIS—Narrowly mixed in thin trading.

Banks were generally lower in reaction to tighter hire purchase conditions.

Foodstuffs, Constructions, Chemical Products, Engineering Equipments and Metals all gave ground.

But Electricals were firmer, and Department Stores were slightly higher.

In the Foreign sector, Americans were higher but Gold Mines eased.

BRUSSELS—Mainly lower in quiet trading, under the influence of the Government's proposed austerity measures.

Steels gave ground, Non-Ferrous Metals mostly declined, while Electricals and Utilities were little changed.

In higher Chemicals, Gevaert moved up Frs.24 to 1,350. Oils declined. In generally lower Holdings, Cobepa fell Frs.34 to 1,102.

U.S. shares were mixed to higher, French issues improved, German and Dutch shares were steady, while South African Gold Mines eased.

AMSTERDAM—Shares eased in dull conditions.

Shipbuildings were depressed by a Ministry report calling for large capacity cuts.

Meneba rose Fls.1.50 on news it will pay a final dividend. Van Gelder fell slightly after passing its 1975 payment.

State Loans were narrowly mixed in more active trading.

GERMANY—Shares lost a little ground on some early month-end liquidation.

In Banks, Commerz shed DM2 to 203 and Deutsche DM1.50 to 318.10. Among Motors, BMW lost DM1.50 to 267.50 and VW DM0.50 to 152.30.

In Steels, Kloeckner-Werke dipped DM1 to 126, Thyssen DM1.3 to 143.20, and Mannesmann DM2.5 to 378.

The Bond Market was mixed to easier, with falls extending up to DM0.35. The Authorities intervened only marginally to balance out the market. Mark Foreign Loans eased.

SWITZERLAND — Markets fluctuated narrowly in moderate trading.

Banks were irregular, Insurances inclined easier apart from Baloise which rose after announcing the issue of Participation Certificates.

Leading Industrials generally edged lower.

State Bonds were quietly steady.

Among Foreign shares, Dollar stocks were predominantly higher, Dutch issues barely steady, while Germans were lower.

OSLO—Industrials and Banks were firmer, Insurances quiet, while Shippings were slightly irregular.

VIENNA—Breweries gained ground, while Constructions were neglected.

COPENHAGEN — Generally higher in fair dealings.

MILAN—Selectively higher in subdued trading, influenced by the bank workers strike.

Bonds drifted lower.

TOKYO—Mainly lower in fairly active trading. Volume 240m. (200m.) shares.

Motors lost ground on reports that smal car sales in the U.S. were slowing down. Toyota Motor fell Y28 to 728 and Nissan Y14 to 301.

Motor Accessories, Department Stores and Light Electricals also declined.

Komatsu added Y15 at 366 and Mitsui Mining moved up Y70 to 330.

Kyoto Ceramic lost Y100 to 5,230 on profit.

Matsushita Electric Trading were down Y60 to 2000. Matsushita-Kotobuki Y60 to 1,030 and Kyushu Matsushita Y50 to 1,030.

HONG KONG—Lower in decreased trading.

Hong Kong Bank were down 30 cents to 21.40, Hong Kong Land 25 cents to 8.00, Jardine 40 cents to 27.00, Hutchison 17½ cents to 3.05 and Hong Kong and Kowloon Wharf 20 cents to 16.90.

JOHANNESBURG—Market was extremely quiet, with little reaction to the news South Africa will withdraw from Angola.

Gold shares eased in line with the bullion price. Financial Minings also were easier.

Industrials firmed on fair demand.

AUSTRALIA—Unsettled in listless trading.

MIM rose 8 cents to $A2.60, BH South put on 5 cents to $A1.70 and AAR gained 3 cents to $A1.03.

Woodside Burmah were 3 cents better at $A1.07 and Pyrophillite picked up another 2 cents at 20 cents in a heavy turnover.

Pancontinental came back 20 cents to $A12.80.

Utah firmed 3 cents at $A2.93 and Horizon were up 5 cents to 70 cents.

In Constructions, Lend Lease picked up 4 cents at $A3.15.

Indices

NEW YORK—DOW JONES

	Mar. 24	Mar. 23	Mar. 22	Mar. 19	Mar. 18	Mar. 17	1975-76 High	1975-76 Low	Since compilat'n High	Since compilat'n Low
Industrials	1009.21	985.45	982.29	973.85	979.86	986.99	1,009.21 (24/3/76)	632.04 (2/1)	1051.70 (11/1/73)	41.22 (8/7/32)
Home Bonds	—	72.57	72.18	72.23	72.29	72.51	72.57 (23/3/76)	66.16 (5/1)	—	—
Transport	209.76	208.24	206.67	205.85	206.71	207.77	211.51 (11/3/76)	146.47 (2/1)	279.88 (7/2/69)	13.23 (8/7/32)
Utilities	87.20	87.14	86.98	86.65	86.78	88.30	91.90 (4/2/76)	72.02 (2/1)	163.32 (20/4/65)	10.58 (28/4/42)
Tr'ding vol. 000's ‡	32,610	22,450	19,410	18,690	20,330	26,190	—	—	—	—

	Mar. 19	Mar. 12	Mar. 6	Year ago (approx.)
Ind. div. yield %	3.76	3.74	3.78	5.05

STANDARD AND POORS

	Mar. 23	Mar. 22	Mar. 19	Mar. 18	Mar. 17	Mar. 16	1975/76 High	1975/76 Low	Since compilat'n High	Since compilat'n Low
*Industrials	115.15	113.31	113.14	112.99	113.48	113.64	116.15 (23/3/76)	77.71 (3/1/75)	355.71 (11/1/73)	77.71 (2/1/75)
†Composite	102.24	100.71	100.58	100.45	100.86	100.92	102.45 (24/2/76)	70.74 (7/1/75)	108.31 (12/1/73)	70.74 (2/1/75)

	Mar. 17	Mar. 10	Mar. 3	Year ago (approx.)
Ind. div. yield %	3.68	3.54	3.37	4.03
Ind. P/E Ratio	13.66	13.94	13.81	9.60
Long Govt. Bond yield	6.78	6.80	6.81	6.06

N.Y. S.E. ALL COMMON.

Mar. 24	Mar. 23	Mar. 22	Mar. 19	1975/76 High	1975/76 Low
55.15	54.56	56.81	56.76	55.15 (24/3/76)	37.06 (2/1/76)

‡Rises and Falls: Mar. 22.

Issues Traded—1,887 Up—1,063

Down—460 Same—364

New Highs—138. New Lows—5.

	Mar. 24	Mar. 23	Mar. 22	Mar. 19	1975/76 High		1975/76 Low	
MONTREAL Industrial	204.96	201.90	202.35	202.48	205.57	(23/2)	159.03	(2/1)
Combined	195.14	192.70	193.05	193.08	198.87	(23/2)	158.06	(2/1)
TORONTO Industrial	192.59	190.95	190.98	191.47	197.45	(20/2)	169.41	(2/1)
JOHANNESBURG Gold	215.5	217.1	220.0	220.3	379.1	(12/1)	188.2	(9/12)
Industrials	201.8	201.7	201.9	205.1	238.9	(16/7)	185.2	(25/1)

	Mar. 25	Previous	1975/76 High	1975/76 Low
Australia (a)	464.55	464.39	472.91 (12/3/76)	289.88 (9/1/75)
Belgium (b)	108.19	108.35	113.21 (6/2/76)	83.07 (2/1/75)
Denmark (d)	102.67	102.31	107.74 (27/1/76)	77.06 (15/1/75)
France (e)	71.6	71.7	74.3 (3/3/76)	51.70 (2/1/75)
Germany (f)	210.8	214.9	221.7 (17/3/76)	575.5 (2/1/76)
Holland (g)	100.7	101.2	107.8 (6/5/75)	85.2 (2/10/75)
Hongkong (h)	445.77	454.39	465.53 (17/3/76)	160.42 (9/1/75)
Italy (k)	80.22	80.27	106.26 (21/2/75)	78.41 (17/10/75)
Japan (m)	343.51	344.51	344.51 (24/3/76)	268.24 (10/1/75)
Singapore (n)	—	256.15	256.16 (3/2/76)	153.26 (8/1/75)
Spain (p)	87.95	88.65	110.96 (22/4/75)	87.93 (25/3/76)
Sweden (q)	420.25	422.83	426.27 (23/3/76)	310.36 (9/1/75)
Switz'rl'd (r)	294.4	295.4	296.3 (17/3/76)	200.5 (2/1/75)

Indices and base dates (all base values 100 except NYSE All Common—50): (a) Sydney All Ord. (b) Belgian SE 31/12/63. (d) Copenhagen SE 1/1/73. (e) Paris Bourse 1961. (f) Commerzbank December, 1953. (g) Amsterdam Industrial 1970. (h) Hang Seng Bank 31/7/64. (k) Milan 2/1/73. (m) Tokyo New SE 4/1/68. (n) Straits Times 1966. (p) Madrid SE 31/12/74. (q) Stockholm Industrials 1/1/58. (r) Swiss Bank Corp. 31/12/58. (u) Unavailable. ‡ Excluding bonds. * 425 Industrials. † 425 Inds., 50 Utilities and 25 Rails.

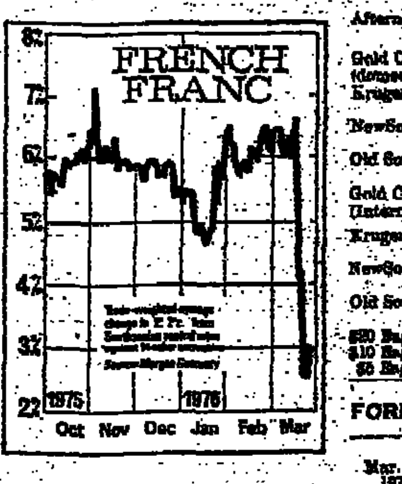
£ & $ weaker

Sterling and the U.S. dollar lost ground to major currencies in a generally quiet and featureless foreign exchange market yesterday. The trade weighted average depreciation of the pound, as calculated by the Bank of England, widened to 33.7 per cent. at the close over the previous 33.6 per cent. The depreciation at noon stood at 33.7 per cent., and 33.6 per cent. in early dealings. With slight speculative pressure on the European "snake" and nervousness over the Labour Party leadership ballot, Sterling failed to maintain its modest upturn of the past two days. In terms of the dollar the pound opened at $1.9275-1.9285, and fell to $1.9200 before intervention by the Bank of England steadied the rate at $1.9220-1.9230. The pound finished at $1.9230-$1.9240, a loss of 35 points on the day.

The trade weighted average depreciation of the dollar, on a Morgan Guaranty basis, widened to 2.21 per cent. from 2.13 per cent. on Wednesday.

The Belgian franc fell below half way in the European joint float, closing at BFrs.38.94½ against BFrs.38.67½ in terms of the dollar, amid concern over the effectiveness of Government measures to defend the currency.

In the London bullion market, quiet trading and a small amount of selling, saw gold lose $¾ to $133. The Krugerrand closed at $135¼-137½ (£70½-71½) for domestic delivery, and in international dealings. Its premium over the gold content was 2.63 per cent.



SPECIAL DRAWING RIGHT RATES

One SDR is equal to	Mar 24	Mar. 23
Sterling	0.599611	0.599149
U.S. dollar	1.15533	1.15469
Belgian franc	44.6477	44.7294
Deutsche mark	2.95164	2.95252
French franc	5.42572	5.44780
Italian lira	968.629	972.096
Japanese yen	346.359	346.251
Dutch guilder	3.11708	3.11995
Swedish krona	5.08807	5.08232
Swiss franc	2.95048	2.95252

Values are for currencies against the SDR as calculated by the International Monetary Fund in Washington.

EXCHANGE CROSS-RATES

Mar. 25	Frankfurt	New York	Paris	Brussels	London	A'sterdam	Zurich
Frankfu't	—	2.5465-75	54.27-32	6.54-55	4.898-908	94.62-70	99.94-04
N. York *	39.11-13	—	21.32-34	2.585-5925	1.9273-9280	37.17-19	39.10-39.12
Paris	183.85-25	4.695-695	—	12.058-083	9.005-050	174.25-45	184.25-85
Brussels	15.26-31	38.89-94	8.28-31	—	74.75-90	14.45-49	15.26-30
London	4.89½-90½	1.923-934	9.02-03	74.85-75.05	—	5.17-18	4.89½-90½
Am'erd'm	105.345-595	2.6972-87	57.345-395	6.9135-85	5.1635-85	—	105.62-67
Zurich	99.96-08	2.5465-75	54.27-34	6.54½-55½	4.899-905	94.68-78	—

U.S. $ in Montreal. U.S. $=98.44-46 Canadian cents.
Canadian $ in New York. $C=101.57-60 U.S. cents. U.S. $ in Milan 839.0-840.5.
Sterling in Milan 1615.0-1618.0. * Rates for March 24.

EURO-CURRENCY INTEREST RATES*

Mar. 25 1976	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	W. German mark	Swiss franc
†Short term	10⅛-10¾	4⅛-5	8¼-8¼	1¼-1¾	3-3¼	⅞-1⅛
7 days notice	10¾-11	4⅝-5⅛	8-10	1¼-1¾	3⅛-3⅝	⅞-1¼
Month	8¼-8¾	4¾-5¼	9⅞-10¼	2⅝-2⅞	3⅛-3¼	1⅝-1⅞
Three months	9½-10	5¼-5¾	10¼-10⅝	5-5¼	3⅝-3½	1⅛-1⅞
Six months	10¼-10¾	6-6½	10⅝-10¾	5⅝-5⅞	3¼-3⅞	2⅝-2⅞
One year	10½-11¼	6⅞-7⅝	10⅝-10¾	4¾-5	4⅝-4½	3⅝-3⅞

Euro-French deposit rate: two-day 13⅜-14⅜ per cent.; seven-day 13⅜-14⅜ per cent.; one month 13-13⅝ per cent.; three months 12⅜-13 per cent.; six months 12⅜-13⅜ per cent.; one year 10⅛-10⅝ per cent.

Longer-term Eurodollar deposits: two years 7⅜-7⅞ per cent.; three years 8⅛-8⅜ per cent.; four years 8⅜-8⅝ per cent.; five years 8⅜-8⅝ per cent.

The following nominal rates were quoted for London dollar certificates on deposit: one month 5-5⅛ per cent.; three months 5⅜-5½ per cent.; six months 5⅝-6 per cent.; one year 6⅜-6⅝ per cent.

* Rates are nominal closing rates.

† Short-term rates are call for sterling, U.S. dollars and Canadian dollars, two-days' notice for guilders and Swiss francs.

OVERSEAS SHARE INFORMATION

Investment premium based on $2.60 per £1—102% (99¼%).

NEW YORK

Stock	Mar. 24	Mar. 23
Corning Glass	64	62¾
CPC Int'nation'l	44¼	44¼
Johns Manville	31⅝	30⅝
Johnson Johnson	89	86½
Reading	2	2
Republic Steel	36	36
Zenith Radio	37½	38½
Chile 5% 1995	87½	†87½

GERMANY ♦

Mar. 25	Prices Dm.	+ or −	Div. %	Yld. %
A.E.G.	98.7	−1	—	—
Allianz Versich.	424	+1	±17	2.0
B.M.W.	267.5	−1.5	14	2.6
BASF	169.9	−2.6	17	—
Bayer	147.1	−1.9	17	5.3
Bayer Hypo	318	−1.5	20	2.8
Bayer Vereinsbk.	315	−1	±20	2.7
Commerzbank	203	−2	±18	4.4
Contl. Gummi	112	−0.2	—	—
Daimler	375.5	−0.5	15	2.0
Degussa	269	−1	±15	3.3
Demag	185	−1	—	—
Deutsche Bank	318.1	−1.5	20	3.1
Dresdner Bank	242.5	−0.5	18	3.7
Dyckerhof Zem't	172	−2	10	2.9
Gutehoffnung	301	−0.5	14	3.5

MILAN

Mar. 25	Price Lire	+ or −	Div. Lire	Yld. %
Alhaiia Priv.	800	−20	—	—
ANIC	730	−3	60	8.3
Ausonia Fin.	4,200	.....	120	3.1
Bastogi	1,101	+2	70	6.4
Breda	1,795	+5	165	9.2
Burgo	9,760	−60	200	2.0
Cantoni	6,358	+115	200	3.1
CIGA	2,199	−1	—	—
Cucirini	4,070	.....	260	6.2

AUSTRALIA

Mar. 25	Aust. $	+ or −
Acrow Australia	†0.80	.....
Adelaide Brighton Cem. 50c	1.17	.....
Allied Mnfg. Trdg. Indus. $1	2.04	−0.01
Ampol Exploration	0.82	+0.02
Ampol Petroleum	0.60	.....
Assoc. Minerals	†2.95	−0.15
Assoc. Pulp Paper $1	†0.93	.....
Aust. Con. Industries	†1.45	−0.01
Aust. Foundation Invest.	0.97	−0.05

JOHANNESBURG

MINES

March 25

Anglo American Corp.
Charter Consolidated
East Driefontein
Elsburg
Harmony
Kinross
Kloof
Potgietersrust Platinum
St. Helena
South Vaal

GOLD MARKET

Gold Bullion (a fine ounce): Close; Opening; Morning fix'g; Afternoon fix'g

Gold Coins (domestically): Krugerrand; New Sov'r'gns; Old Sov'r'gns

Gold Coins (Intern'ly): Krugerrand; NewSov'r'gns; Old Sov'r'gns; $20 Eagles; $10 Eagles; $5 Eagles

FOREIGN EXCHANGES

Mar. 25 1976	Bank Rate %
New York	5½
Montreal	9
Amsterdam	4
Brussels	7
C'penh'gen	[illegible]
Frankfurt	[illegible]
Lisbon	[illegible]
Madrid	7
Milan	12
Oslo	5
Paris	8
Stockholm	[illegible]
Tokyo	[illegible]
Vienna	5
Zurich	2½

¶ Based on rates for convertible francs ... dealers. ♦ Rate ... BCRA rate ...

OTHER MARKETS

♦Argent'na	268.28-
Australia	1.5392-
Brazil	19.50-
Finland	7.37-
Greece	58.397-
H'ngKong	9.54-
Iran	135-
Kuwait	0.560-
Luxemb'g	74.85-
Malaysia	4.9125-
N. Zealand	1.9879-
Saudi Arb'a	6.75-
Singapore	4.776-
S. Africa	1.6651-
U.S.—	
Canada	
C$1— U.S. cents	101.58-

† Basic discount ... convertible franc ... 78.55-78.33. * ... 9.052-9.061.

FORWARD RATES

—	One month
New York	0.80-0...
Montreal	.05c pm
Amst'dam	3¼-2¼
Brussels	90-110
Cop'nhg'n	1½-3½
Frankfurt	2½-1½
Lisbon	60-160
Madrid	70-120
Milan	14-19
Oslo	1 ore pm
Paris	2-4 c.
Stockh'lm	par-2
Vienna	30-10
Zurich	3¾-2¾

Six-month forward ... premium and 12-month ...

FARMING AND RAW MATERIALS

Australian wool sales cancelled

MELBOURNE, March 25

AUSTRALIAN wool sales scheduled for next week have been cancelled because of a ... by the storemen and ... union on movements of wool for shipment.

The decision follows a meeting of the Joint Wool Selling Organisation and the Australian Wool Corporation (AWC). The AWC has also agreed to suspend sales next week from its stocks in Australia.

The JWSO said that, because of the backlog of wool to be moved ... large, sales scheduled for the following week were also likely to be cancelled.

The dispute is over maximum weights, working hours, conditions and wages.

In London, meanwhile, the International Wool Study Group ... usage of wool in major non-Communist markets in 1975 was ... up on 1974, at 482m. ...

Bradford wooltops 64s rose 5p yesterday, to 235p a kilo, the highest level since 1974.

U.K. meat supplies will be the 'lowest this decade'

BY RICHARD MOONEY

U.K. SUPPLIES of red meat this year will be the lowest since the beginning of this decade, Mr. George Howard, chairman of the Meat and Livestock Commission, said in London yesterday.

This must mean fairly firm prices, although it should be remembered that demand this year has been affected by the general economic situation."

Meat prices had risen by around 30 per cent. in the past two years, but Mr. Howard resisted suggestions that the tighter supply situation would necessarily mean an even steeper rise this year. It was impossible to estimate prices because of a complicated import/export position and uncertainty of consumer demand as a result of the recession.

An MLC spokesman said red meat supplies were unlikely to amount to much more than 2m. tons this year, compared with 2,303,000 in 1975 and an average of 2.29m. for the first five years of the decade.

Despite the shortage of meat for the home market, the Commission is keen to boost British exports. "We are doing what we can on a practical level to stimulate exports of both meat and breeding stock," said Mr. Howard.

Home production

Commenting on the 75 per cent. increase in meat exports last year, he said that this trade had benefited the U.K. balance of payments and, in the longer term, would stimulate increased home production.

Though it might seem strange that the Commission was seeking increased exports at a time of domestic shortage, exports were as important to Britain's meat industry as to its motor industry. A short-sighted policy of reduced exports could lead to a reduction in producing capacity from which the consumer would eventually suffer.

Mr. Howard said he could also understand the widespread puzzlement that meat should be sold into intervention at a time of short supply and high prices. This was the result of technical factors arising from the differential between buying-in prices and target prices and should be over in a week or two. However, further intervention buying might take place in the autumn.

The MLC chairman welcomed the fact that the beef premium scheme was being continued for another year. "Meat is produced to be eaten, not stored indefinitely," he said.

"Variable premiums may be at variance with the EEC beef support system, but they undoubtedly suit the British situation. When supplies are plentiful and prices relatively low, subsidies benefit the consumer. At the same time the confidence of producers is maintained so that future supplies are assured."

Confusion in sugar market

By John Edwards
Commodities Editor

WORLD SUGAR values eased yesterday on the London futures market, where confusion about Russian purchases and sales by the Philippines continued. The London daily raw sugar price was cut by £2, to £190 a ton, and futures prices lost ground during the day.

Reuter reported from Moscow that an official of Prodintorg, the agency which handles Russian sugar imports and exports, repeated that the Soviet Union had only bought 200,000 tonnes from the Philippines—not 400,000 as claimed by President Marcos in Manila.

President Marcos also said that a contract to supply Sucrest Corporation of the U.S. with 650,000 tonnes annually over the next five years had been signed, and was negotiating with Algeria.

The market was undecided what to make of the conflicting reports. There is also considerable uncertainty about sales of surplus EEC sugar with operators waiting until the last moment before the March 31 deadline expires for taking options to export up to 475,000 tonnes.

Under the ImEx (import-export) arrangements, operators who imported sugar during the period of shortage in 1974 can export an equivalent amount. But whether or not the options are taken up depends on the world price trend, particularly whether the Soviet Union wants extra purchases despite its denials.

For this reason the Commission is limiting export sales until it knows how much of the options will be taken up.

Sharp fall in zinc

By Our Commodities Editor

ZINC VALUES fell sharply yesterday on the London Metal Exchange, along with a general downward trend in metal prices.

Cash zinc lost £9.75 a tonne, to £388.5, as a result of selling by speculators, disappointed that the expected rise in the U.S. domestic rice had not emerged. Profit-taking sales were also encouraged by forecasts of a large rise in LME zinc stocks.

Predictions of another hefty increase in copper stocks also encouraged profit-taking in the copper market. Cash wirebars closed £9 a tonne lower, at £710.5, after trading erratically

U.K. GRAIN MARKET

The high cost of monetary chaos

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

BRITISH FARMERS and consumers will soon appreciate the truth of a warning by Mr. Pierre Lardinois, EEC Agriculture Commissioner, on the dangers to the Common Agricultural Policy of the chaos in monetary exchange rates. Speculation which has accompanied this uncertainty has brought a marked rise in British grain prices, and this will seriously affect all products in which cereals are used.

Grain prices have risen by about £5 per ton in the last three weeks, having been fairly stagnant since October. Soft wheat and barley have risen to around £70 per ton for delivery from May onwards. Merchants who assured everyone until recently that there was plenty of grain left on farms are changing their tune now; they say supplies will be tight until the next harvest in August.

The tighter supply situation was to have been expected, given the reduction of about 2m. tons between last year's harvest and that of 1974 and the rise in U.K. exports of grain, which increased from about 500,000 tonnes in 1974-75 to 1.2m. in 1975-76.

This has shown up in the Ministry of Agriculture's estimates of farm stocks of grain, both sold and unsold, at the end of January. At 5.08m. tons, these are 1.75m. tons less than at the corresponding time last year, and the lowest for a great many years.

The rise in the export trade was undoubtedly the result of the transitional arrangements of EEC entry. Because compensatory payments—designed to equalise British and EEC food prices—could be prefixed for up to 60 days ahead, traders were able to take advantage of the low prices for British grain last July and early August, and ship it to the Community a few weeks later, after a marked rise in world prices.

The rise in world prices caused import levies to fall, which allowed profits to be made on a considerable scale. At one time, according to one source, there was a profit of £13 per ton which left a useful return, even after payment of shipping costs.

This trade had actually started the previous year, when some 440,000 tons of barley was shipped. But this season's quantities are estimated to total about 250,000 tons of wheat and 950,000 of barley, according to the Ministry.

Some U.K. barley is usually shipped to the Continent for malting. But this usually amounts to around 200,000 tons, the rest has been purely speculative trading. At the time it was going on, there were all sorts of rumours as to where barley was going, reports of ships loading to sail out round the lighthouse and back again, some not even loading at all.

The truth

The truth is probably more prosaic. Tonnage went to the Continent and were put into store. There the grain loses its identity and becomes EEC barley or wheat. From there it can be re-exported to Britain, or anywhere else, or be sold into intervention.

Apart from the Common Market Fund (FEOGA) which has to pay for this nonsense—eventually to be borne by the taxpayer in the member countries, according to the division of Community costs—there is an additional burden to be borne by U.K. consumers. The grain which was exported was sold at prices of around £60 per ton and will have to be reimported at a very much higher cost.

Total imports this year are expected to rise by 1.6m. tons over last year's figure, mainly for animal feed. There is also a further deficiency of 1m. tons which could be covered by allowing stocks to fall.

British merchants and users seem to have been caught out by the increasing tightness of supplies. Until a month ago, traders were saying that there were large stocks of grain on farms which would be sold after the tax year ended on April 6. However, the rise in prices for May onwards would appear to contradict this.

In any case, yields over most of the country, particularly of barley, were so bad that the sample of farmers who send stock returns to the Ministry could be excused for putting as optimistic a face as possible on their results.

A poll I took this week of half a dozen country merchants produced contradictory opinions as to stocks in their area. Most didn't know, and their views on the relative quantities of wheat and barley that would be available were equally vague. Some said compounders and millers were well covered, others that they were on bare boards.

The situation probably will lead to increased imports, above the Ministry estimate, and there seem to be sufficient offers from EEC sources, where stocks of wheat are high. There are also quantities of sorghum and maize which can be imported from third countries, subject to import levies.

The cost of these EEC imports is likely to be much higher, at somewhere over £70 per tonne CIF. Coupled with the increased cost of proteins due to the Community's skim milk arrangements, this will be an unwelcome addition to pig and poultry farmers costs.

It all underlines Mr Lardinois' complaints, because the only people to benefit have been those traders who have taken a perfectly legal advantage of CAP anomalies.

Completion of the accession process by January 1978 should in theory make for common price levels throughout the Community and remove opportunities for this sort of speculation. But there seems to be no end to the irregularities of the monetary situation, which make complete nonsense of any idea of a common market in agricultural products.

Soyabean price deadlock in Brazil

PORTO ALEGRE, March 25.

EXPORTERS were waiting for an initiative from the Brazilian Government to relieve the ... on soyabean exports, ... sources said.

... export prices for near ... at nominally at $180 a ... for Rio Grande, or less. ... were unable to pay ... the 75 cruzeiros per ... bag minimum price ... by the Government.

... was the first time in ... years that export prices had ... below the Government's ... price at this stage of ... season. Brazil opened soya ... export registries at the ... last week, but there had ... any registries so far in ... Rio Grande do Sul.

JAPANESE ZINC SALE TO RUSSIA

TOKYO, March 25.

... had contracted to sell ... tonnes of electrolytic zinc to the Soviet Union for April shipment, industry sources said.

The deal had been jointly ... by seven Japanese ... The export price would be ... to London metal exchange (LME) quotations, but the ... on an arrival basis would be ... above the present producer price of $795 a tonne.

Associated Fisheries aid plea

BY OUR COMMODITIES STAFF

CONCERN FOR the future of the British fishing industry reached a new pitch yesterday when shareholders of Associated Fisheries requested "urgent" Government assistance. The company controls the country's largest trawling fleet.

Mr. Paul Tapscott, its chairman, was instructed at the annual meeting to send a statement to Mr. Fred Peart, Minister of Agriculture, expressing the "gravest concern at the lack of a coherent national policy for the British fishing industry."

The statement says this is leading to the rapid scrapping of ships, permanent closure of port facilities, redundancy among employees, and heavy financial losses for shareholders "and ultimately for the nation."

"The short-term financial assistance required will be small and the long-term benefits substantial," it concludes.

Associated Fisheries made a pre-tax loss in the year to September 30 of £2,026,000, and Mr. Tapscott reminded shareholders yesterday that the company's trawlers made many unprofitable voyages during the first quarter of its new financial year. "Subsequently, with benefit from new quotas, trading results have been better, although still overall unprofitable," he added.

The chairman stressed particularly the heavy burden of increased fuel prices. Even with a reduced fleet, last year's oil bill came to over £5m., compared with £1.5m. in 1972-73.

Commenting on the continued necessity for scrapping ships, Mr. Tapscott said: "We are rapidly reaching a point where our potential for recovery will be severely hampered."

Calling for a complete and radical restructuring of the whole middle and distant water fishing industry, he said merely weathering the present storm "is simply not enough."

This country was 85 per cent. self-sufficient for fish. "With the present state of the balance of payments, surely it would be extremely foolish to destroy an industry with such a record."

In Parliament, meanwhile, Mr. Francis Pym, Conservative spokesman on agriculture, urged the Prime Minister to intervene in the fishing industry crisis.

Ministers should not let the situation slide, he said, but should join in discussions with other Community members to bring it to a rapid conclusion.

Mr. Edward Bishop, Minister of State for Agriculture, replied that, under EEC rules, Britain had to stick to the present fishing policy until 1982. Talks on these matters were under way and he pledged that the Minister would examine any "well-documented evidence" of overwhelming need.

USSR may buy more U.S. grain

WASHINGTON, March 25.

U.S. EXPORTERS were negotiating long-awaited additional grain sales to the Soviet Union and some transactions could emerge by the end of the month, trade sources and Government officials have indicated.

In a telephone interview, Richard Bell, Assistant Secretary of Agriculture confirmed reports that additional grain transactions—likely to involve both 1975 crop maize and some wheat, possibly including the 1976 crop—are being negotiated.

This season the Soviet Union has bought about 13.5m. tonnes of U.S. grain, about 3.5m. tonnes short of the originally anticipated total.

The U.S. has notified Moscow that it could also buy up to 4m. tonnes of new 1976 crop wheat for shipment before the five-year purchase agreement takes effect on October 1.
Reuter

● UPI reports: The UN Food and Agriculture Organisation said world production of wheat and coarse grains this year should be about 7 per cent. higher than in 1975.

Lower world rubber output in 1975

World natural rubber production in 1975 is estimated at 3,295,000 tonnes, against a revised 3,435,000 in 1974, the International Rubber Study Group said.

Consumption is estimated at 3,342,500 against a revised 3,505,000 tonnes.

Synthetic rubber production totalled 6,542,500 tonnes (against 7,417,500) and consumption was 6,587,500 (7,216,000).

The Study Group said natural rubber production in December was 317,500 tonnes against 292,500 in November, and consumption was unchanged at 273,000. World rubber stocks at end-December were 1,605,000 tonnes natural and 1,775,000 synthetic against 1,652,500 and 1,820,000 respectively at Jan. 1, 1975.
Reuter

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

...—Lost ground on the London ... Exchange. After an erratic pre-... session during which forward ... traded between £726 and £739, ... held above the £730 level and ... closed at £733.5 on the afternoon ... speculative buying and fresh ... were met by short selling while ... predictions were for a further large ... rise in warehouse stocks. A modest consumer interest was reported. ... 8,775 tonnes.

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £713, 13.5, three months £738, 37, 36, 36.5, 37, 36, 35, 34, 33, 33.5, 34, 33.5, 33, 33.5, 34. Cathodes: cash £702.5, 03, 04, three months £723.5, 23, 23.5, 24, 24.5. Kerb: Wirebars: cash £712, three months £738. Cathodes: three months £723.5. Afternoon: Wirebars, cash £710.5, three months £732, 31, 31.5, 32, 32.5, 32, 31.5, 32, 31.5, 31. Cathodes: cash £703, three months £722. Kerb: Wirebars, three months £732, 33, 34, 33.

TIN—Marginally lower. The modest

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars cash	713-.5	—1.5	710-1	—9
3 months	733.5-4	—2	731-.5	—8.5
Settlem't	713.5	—1.5	—	...
Cathodes cash	03.5-4.5	—2.5	701-2	—9
3 months	724-.5	—5.25	721.5-2	—8.75
Settlem't	704.5	—2.5	—	...
U.S. Prod.	—	...	*66	...

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	3725-35	+15	3705-15	—12.5
3 months	3750-60	+20	3705-15	—20
Settlem't	3735	+15	—	...
Standard				
Cash	3700-5	+5	3685-90	—15
3 months	3715-7	+18.5	3698-702	—15.5
Settlem't	3705	+5	—	...
Straits E.	$1077	+2	—	...
New York	—	...	*337.0	...

COMPANY NOTICES

PRICE CHANGES

Prices per ton unless otherwise stated.

	Mar. 25 1976	+ or —	Month ago
Metals			
Aluminium	£420	..	£420
Sisal	$600	......	$600*
Sugar (Raw)	£186	—4.0	£167
Wooltops 64s	268p	+5.0	215p
Cloves (Madagascar)	£2,900	......	£2,550
Pepper White	£890	......	£925
Black	£785	......	£750

* Nominal. † Seller. § Unofficial close. ♣ Indicative price. b U.K. and Commonwealth refined. c Uganda Robusta standard grade indicative prices f.o.b. Mombasa U.S. cents a pound. d Bangladesh white "C." ‡ Unquoted. a Seller's quotation. h Jan.-March. n Metric tons. r Sept.

FINANCIAL TIMES			
Mar. 25	Mar. 24	Month ago	Year ago
190.77	192.13	182.52	172.27

(Base: July 1, 1952=100)

REUTER'S			
Mar. 25	Mar. 24	Month ago	Year ago
1298.9	1301.7	1234.1	1091.0

(Base: September 18, 1931=100)

DOW JONES	Mar. 24	Mar. 25	Month Ago	Year ago
Spot	311.54	312.75	312.79	306.21
Futures	313.81	304.17	306.35	298.10

(Average 1924-25-26=100)

MOODY'S	Mar. 24	Mar. 23	Month ago	Year ago
Spl. Commodity	784.4	785.9	767.9	746.1

(December 31, 1931=100)

*

COPRA—Philippines. April and May $215, June $217.50 resellers per tonne c.i.f. North European ports.

U.S. Markets

NEW YORK, March 25

... Flaxseed—May 645 bid (649 bid), July 650½ bid (655 bid), Oct. 656½ bid, Nov. ... Dec. 662 nom.

Wheat—SCWRS 13.5 per cent. protein content St. Lawrence 474½ (490½).

All cents per pound ex-warehouse unless otherwise stated. * Cents per 60-lb bushel ex-warehouse. $'s per troy ounce—100-ounce lots. Chicago loose $'s per 100 lbs —Dept. of Ag. prices previous day. Prime steam f.o.b. NY bulk tank cars. Cents per troy ounce ex-warehouse. New "B" contract in $'s a short ton for bulk lots of 100 short tons delivered f.o.b. cars Chicago, Toledo, St. Louis and Alton. $'s per troy ounce for 50-ounce units of 99.5 per cent. purity delivered NY. Cents per 60-lb bushel in store. Cents per 56-lb bushel ex-warehouse, 5,000 bushel lots. Cents per 24-lb bushel. Cents per 48-lb bushel ex-warehouse. 5,000 bushel lots. d Cents per 56-lb bushel, ex-warehouse, 1,000-bushel lots.

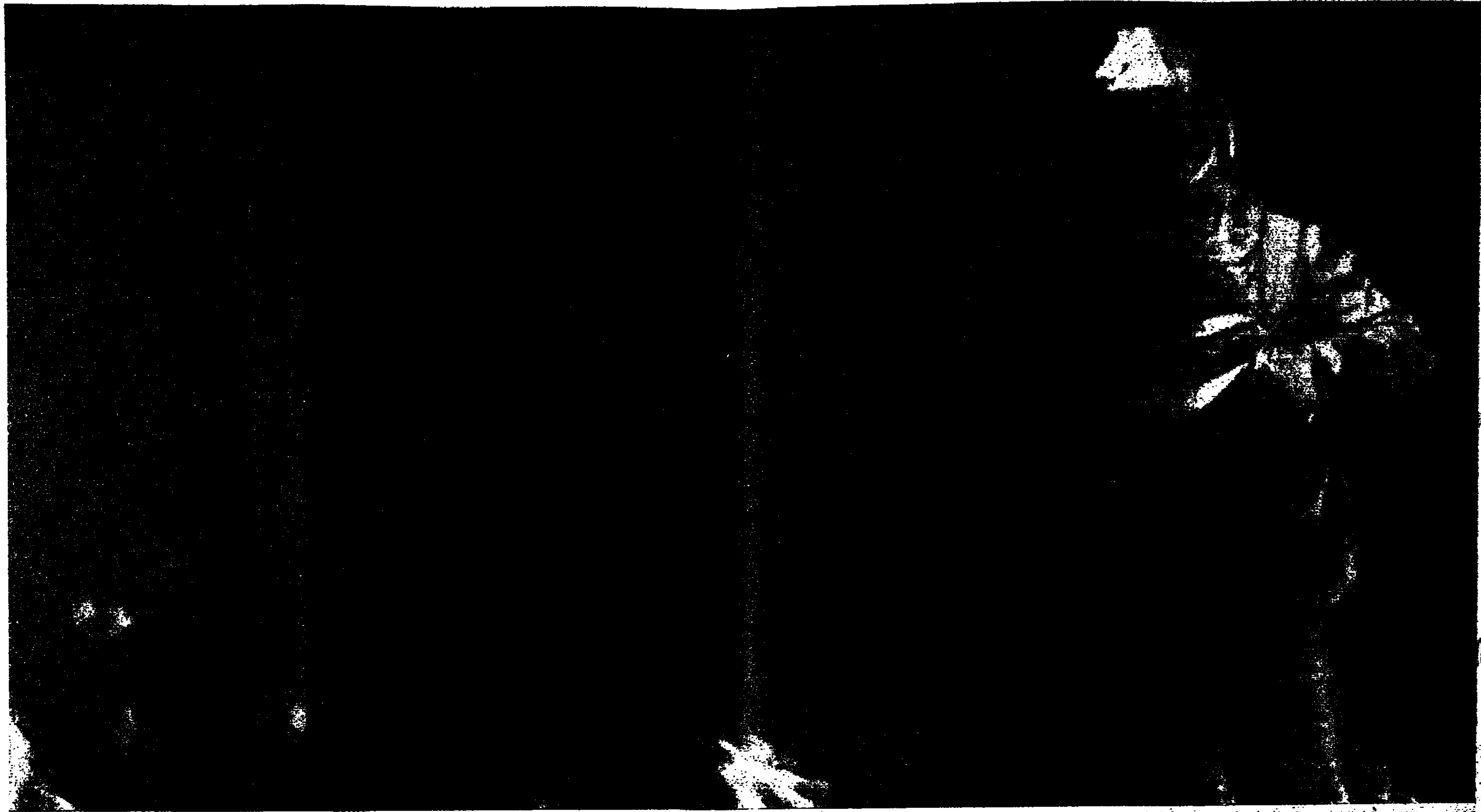
ISRAEL CITRUS

TEL AVIV, March 25.

Despite the late onset of rains this season, the Israel Citrus Marketing Board expects to export the originally programmed 47-48m. cases this season. Some 36m. cases have already been sent abroad.

Prices realised on European markets are considered satisfactory in view of the various increases in production costs.

Exports of Jaffa oranges are drawing to a close, with the bulk of exports consisting of so-called Jaffa lates—oranges of the Valencia type—together with smaller quantities of grapefruit.
Reuter



"Midland Bank helps us expand at the rate we choose"

-Tom Martin Jnr, Joint Managing Director of The Asbestos & Rubber Company Ltd of Hull.

Since the development of plastics, The Asbestos & Rubber Company's name no longer describes its product range accurately. This is because the Company has always been responsive to new developments and needs.

In 1884 it manufactured and sold mainly sports equipment. Now, 92 years later, the ARCO Group has diversified into the manufacture and distribution of plastics, asbestos and rubber-based products and protective clothing for industry–and into specialist contracting.

"If we have been successful," says Tom Martin, "then it may be because of the old-fashioned concept of service by skilful staff.

"About 40% of our sales are products manufactured to the individual requirements of our customers. The remainder of our orders are despatched from stock–generally on the same day that the order is received."

Left to right: Stephen Martin, Joint Managing Director; Tom Martin Snr, Chairman; Tom Martin Jnr, Joint Managing Director.

A Time of Expansion

The Asbestos & Rubber Company Limited has Tom and Stephen Martin as joint Managing Directors. Their father, Tom Martin Snr, is Chairman.

Since 1967 the Company has grown–stimulated by independence and sound resources.

Today the ARCO Group comprises four manufacturing and six mainly merchanting branches. It markets a comprehensive range of industrial products under the ARCO label.

Midland Financial Support

"Our recent period of growth was made possible by greatly expanded market penetration," says Stephen Martin, "particularly to the petrochemical and associated industries.

"But Midland Bank's support was essential. We've relied on their advice in our acquisition deals and in increasing our stocks.

"We also do a lot of foreign business, and we rely on Midland Bank for advice, letters of credit, documentation, and checking the credit-worthiness of potential customers.

"In the 75 years or more that we've banked with them, Midland's help and understanding have been invaluable."

Business expansion calls for many kinds of financial support that still leave you free to develop in the way you choose. Your local Midland branch can provide you with further details on the range of services available from Midland Bank Group.

Midland Bank Group

Principal trading companies: Midland Bank Limited, Clydesdale Bank Limited, Clydesdale Bank Finance Corporation Limited, Clydesdale Bank Insurance Services Limited, Scottish Computer Services Limited, Northern Bank Limited, Northern Bank Development Corporation Limited, Northern Bank Executor and Trustee Company Limited, Northern Bank Trustee Company Limited, Midland Bank Trust Company Limited, Midland Bank Finance Corporation Limited, Forward Trust Limited, Midland Montagu Leasing Limited, Griffin Factors Limited, Midland Bank Trust Corporation (Jersey) Limited, Midland Bank Trust Corporation (Guernsey) Limited, Midland Bank Insurance Services Limited, The Thomas Cook Group Limited, Thomas Cook Limited, Thomas Cook Overseas Limited, Thomas Cook Bankers Limited, Samuel Montagu & Co. Limited (Incorporating Drayton), Drayton Montagu Portfolio Management Limited, Northern Bank Finance Corporation Limited, Midland Montagu Industrial Finance Limited, Jersey International Bank of Commerce Limited, Bland Payne Holdings Limited, Bland Payne Limited, Bland Payne Reinsurance Brokers Limited, Bland Payne (UK) Limited, Southern Marine & Aviation Underwriters Inc., Bland Payne Australia Limited, London American Finance Corporation Limited, Guyerzeller Zurmont Bank AG.

FINANCIAL TIMES REPORT
Friday March 26 1976

PAPER AND BOARD

With the world's paper mills now gearing up for increased production, many companies are counting the cost of the paper and board industry's worst crisis since the war. There have been casualties during the prolonged recession, but overall the industry appears to have weathered it well.

Signs of an upswing at last

THE ABILITY of companies to withstand a prolonged period of unprofitable production stemmed primarily from two factors: firstly, the period before the recession was one in which prices rose sharply and profits were generally good, and secondly, the industry was not panicked into dropping prices and making their poor position even worse. As a result it is emerging fairly confident that it can meet the needs of its customers, although the problem of low investment in new mills and machines remains as acute as ever and the predictions about impending shortages are now about to be proved right or wrong

The United States, which accounts for more than 40 per cent. of world production of paper and board is, as always, the major influence on the world market. Europe, which produces and consumes around 27 per cent. of the total, is usually the first to be affected. In the U.S. destocking is generally accepted as complete and many North American mills are now back to full production: Germany and other EEC countries are moving similarly, with the UK. responding more slowly.

However, the return to higher levels of production is perhaps best seen in the context of the European industry's structure, which has undergone very considerable changes and is faced with a great deal more. Recent work by the European Confederation of Pulp, Paper and Board Industries goes a long way to pinpointing the factors which will have a bearing on the industry's future.

The nine countries of the Common Market make up 78 per cent. of the paper consumption of Western Europe and the Common Market's demand is met 61 per cent. from domestic production and 39 per cent. from imports. About 55 per cent. of these come from the Nordic countries of Finland, Sweden and Norway and a further 15 per cent. from North America and the balance from other countries.

In Western Europe there are at present about 1,700 paper mills operating: around 260 mills have disappeared over the past decade, involving the loss of 10,000 empoyees, while in the same period productivity has risen by an estimated 60 per cent. It is certain that this process of concentration and the withdrawal or marginal mills will increase with the level of competition.

Questionable

According to the UN Economic Commission for Europe, the pulp and paper industry in the Common Market covers more than 90 per cent. of its pulpwood requirements from its own sources, and raw material availability will remain roughly in balance until 1985. In 1974 there was also a rough balance between production and consumption of chemical pulp and mechanical pulp in Western Europe, but the EEC countries could cover only 25 per cent. of their pulp demand from their own production. Of the necessary imports 50 per cent. were provided from the Nordic countries and 33 per cent. from North America.

It is now generally recognised that the apparent pulp crisis in 1974 was no more than overbuying and was replaced by a worldwide stock surplus of an estimated 4m. tonnes, but in the long term a supply gap of long fibre pulp (softwood) has to be expected, according to a recent CEPAC paper. Realising this, it says, Western Europe has planned a capacity expansion of 3m. tonnes up to 1979, but the achievement of this seems questionable.

Waste paper consumption amounts at present to 28 per cent. of the total fibre use, representing a similar 28 per cent. of paper and board consumption. The increase in waste papr recovery and utilisation by only 1 per cent. would diminish fibre demand by 400,000 tonnes a year. The estimated increase in Western Europe of 3.7m. tonnes in recovery and 3.0m. tonnes in utilisation by 1980 therefore seems unrealistic, because this estimation is based on exaggerated forecasts in growth of paper consumption. According to CEPAC attempts at controlling stocks in order to stabilise prices have up till now met with failure, but in the long term appear to be necessary but difficult to realise.

It appears that the industry has to be prepared for lower than traditional growth rates in consumption, a factor which recent studies on future demand have not taken fully into account. Instead of the figure of 3.6 per cent. growth a year between 1970 and 1990, once predicted, is now more likely to be between 2 and 3 per cent. Capacity expansion plans will have to be adjusted accordingly.

A number of major points have emerged from the CEPAC discussions; one is that Europe has become a net exporter of paper and board and this may well increase. In 1974 Western Europe had a total demand for about 40m. tonnes of paper and board and about 2m. tonnes were imported, while 3m. tonnes were exported. Growing demand in developing countries is seen as the reason.

Developing

On prices, it was felt that the days in which a low inflation rate could be compensated by increased productivity are over, and thus the industry's only course of action is to use costs as the criterion for pricing policy. It is also vulnerable to increasing energy costs, environmental control, which can affect competitive positions.

Guidelines for the industry, taking into account a more changeable trading environment than has been experienced previously, suggest that companies should be prepared for more modest growth rates, while nevertheless taking advantage of growth possibilities. They should give priority to rationalisation and the use of the most modern technology, improve raw material planning (particularly in relation to re-cycling) and continually update and, if necessary, postpone investment plans.

On wages and salaries, companies are advised to intensify discussions on collective agreements. Price increases should take future investment into account and wages should be linked to productivity. National governments are expected to play a major part in promoting the industry; they should adopt an optimal afforestation policy, extend research facilities, remove any measures which distort competition and improve forecasting methods.

It is clear that Brussels wishes to speed up the harmonisation of policy in member countries and now that the immediate problems of the industry have become less acute, they will take the opportunity to press ahead. The industry, particularly in the U.K., has to face up to duty-free trading by 1984 and a decrease in duty protection against third countries. Industrial policy has to be thrashed out, bearing the environmental problems more and more in mind: fiscal policy will have to take account of the industry's competitive position and last, but of utmost importance, exchange rates must be adapted to actual buying power.

Lorne Barling

Increasing capital requirements

BOWATER Corporation raised close on £22m. via an issue to shareholders last June, making the 86th rights issue of 1975; some City pundits would not be surprised to see Reed International, the other giant within the U.K. paper industry, follow suit before very long. These facts—one actual and one anticipated—reflect both the way the business cycle is now rising for the paper trade and the pressure on working capital requirements that this upturn is creating.

The paper industry worldwide is now emerging from one of the deepest cyclical troughs ever seen, and the recession has inevitably left its scars. In the U.K. mill after mill has been closed in recent years; at the same time the major companies have continued to diversify their activities.

But the industry leaders are still largely paper makers. Bowater is mostly a newsprint manufacturer, Dickinson Robinson tends to concentrate on speciality papers and packaging while Reed is widely spread between newsprint and general paper and board. Together with Wiggins Teape (part of the BAT group) these companies constitute the bulk of the U.K. paper industry. They may differ on basic production but they all face the prospect of healthier trading conditions towards the end of 1976, and these should last through 1977 and 1978.

In general the paper industry is highly geared both operationally as well as financially. This stems partly from the inherent disadvantage of manufacturing some paper within the U.K., which in turn helps explain why so much U.K.-owned papermaking plant is based overseas. Paper making in this country throws up a number of cost disadvantages. The lack of substantial forest reserves in the U.K. leaves the trade heavily dependent on imported pulp—mostly from Scandinavia and Canada. At the same time the high cost of energy in this country tends to make U.K. production less economic than in countries where both raw materials and energy sources are in more plentiful supply.

Protected

Historically, the paper industry has been partly protected from this unfavourable position. But this protection—in the shape of import tariffs—was removed towards the end of the sixties. Moreover, import tariffs meant that until recent years an unduly high proportion of U.K. paper production was tied up in newsprint—rather than high added-value products where pulp and fuel costs could represent a lower proportion of selling prices. Import tariffs were finally phased out in 1967, and it is interesting to note that over the ten years to 1973 imported newsprint as a percentage of total U.K. consumption rose from 30 per cent. to 43 per cent.

However, at the present time the U.K. paper industry is beginning to look its healthiest for many years. Both Reed and Bowater have yet to report some depressed profits for 1975, but for 1976 and 1977 the earnings picture within the industry should brighten significantly. Reed's profits for 1975 are likely to fall to, say, £35m. before tax, which is their lowest level for four years and compares with 1974's £86m. But the upturn now being felt in the North American economy—where along with Bowater the Reed group derives a large proportion of its profits—is now beginning to restore margins. And for Reed, which is probably the most highly geared among the U.K. paper groups, profits recovery should be dramatic.

Founded in 1894 in Kent, Reed has developed over the past decade from a largely U.K.-based paper and board manufacturer to a diversified international operation. The initial impetus to this change came against the background of receding import tariffs. At the time the group's profits outlook was clearly bleak and Reed embarked on what has proved a fairly continuous programme of acquisitions. The group's first move was to consolidate its position in the paper and board industry by exapnding its operations outside the U.K., and in 1961 it acquired a majority stake in Anglo-Canadian.

With this purchase Reed became a major Canadian papermaker, a position which it further secured by the construction of two large kraft mills in that country, Prince George Pulp in 1964 and Intercontinental Pulp in 1967. At about this time Reed began to acquire some of its former customers, notably stationers Spicers and the packaging specialist Field as well as Wall Paper Manufacturers. At about this time Reed began to grow rapidly—and to a point where it overtook the International Publishing Corporation which owned 28 per cent. of Reed. By 1970 the group was generating about three times the amount of profits produced by IPC and thus Reed became the latter's master, taking IPC under its wing and simultaneously cancelling a large minority holding.

More recently, however, Reed expansion has been undertaken outside the U.K., notably in Australia, New Zealand, South Africa and Europe, Holland especially. Whereas in 1965 just under 30 per cent. of Reed's profits originated overseas this proportion had increased to well over half by 1974. The company remains heavily reliant on its paper making interests but it has diversified geographically and has built up strong trading positions in allied trades—printing, publishing and the building product industries.

Borrowings

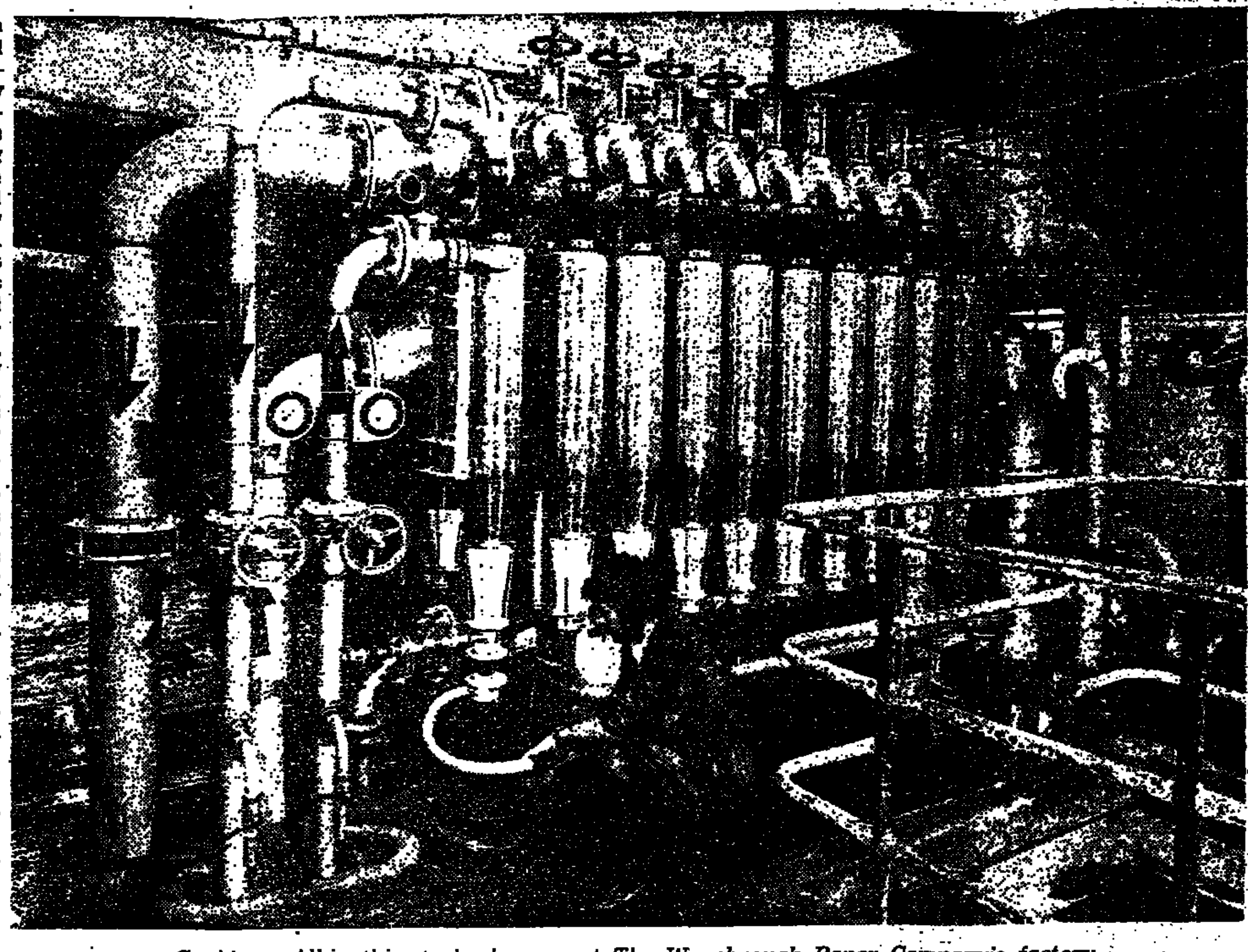
Reed emerged from its financial year to March, 1975, with borrowings higher by more than a third at around £256m. net of cash balances; Bowater ended 1974—three months earlier in the declining cycle—with borrowings barely changed at around £200m. But both companies are highly geared financially: Reed's net capital employed was barely 2½ times more than debt a year ago while tangible shareholders' assets were somewhat less at £218m., including minority interests. Working capital pressures were the major culprit with stocks rising by more than half to around £200m.

During the year to March 1976, Reed's borrowings will certainly have increased further, a large part of which will be attributable to the acquisition last December of the South African group Amalgamated Packaging. But the outlook for the group's profits in 1976-77 is encouraging with the international market for paper and paper products showings signs of a marked recovery, and profits overall should make substantial recovery strides—possibly reaching close to £60m. before tax.

At Bowater, profits will be lower for 1975—possibly by around 15 per cent. pre-tax—but as with Reed the outlook is encouraging. As a major newsprint group, Bowater is further ahead in the North American cycle, and some brokers estimate 1976 profits at around £64m., against £39½m. of 1974.

Jeffrey Brown

Technology does its bit



Grubbens Albia thin-stock cleaners at The Wansbrough Paper Company's factory.

THE STATEMENT that in several technologically advanced countries many of our industrial activities, apparently aimed at an overall improvement in efficiency of production or better manufacturing economics, are—if considered in a wider framework—wasteful and sometimes positively harmful is causing controversy.

Many ecologists advance this theory, particularly insofar as nuclear power and advanced transport systems are concerned. On a less lofty plane, the statement has been partly proved by the failure, or partial failure, of recycling schemes other than those which can be tightly circumscribed and controlled.

It is one thing to elaborate increasingly complex materials such as high art papers, or multi-component plastics. It is another to make use of these complex materials when they become scrap or waste, even when they are available at or close to a process line. When the cost of collection and transport is added, total input in the form of heat, fuel, power and man-hours becomes prohibitive. This is despite the large inputs in the first place.

In other words there is a danger that for political or other motives, countries can become obsessed with substitution and develop what could be called "ersatz mania."

This applies at the highly elaborated end of industry and it is one of the reasons why such organisations as the Wolfson Foundation in Cardiff is seeking simple methods of coping with industrial by-products into which a large amount of processing work has gone.

Bacteria

These methods include the use of "tamed" bacteria to carry out further elaboration with minimal energy input. Lower down the scale in the paper and board industries, recycling is a part of life and some extremely ingenious design work is going into the establishment of plant built to ensure that the end-product based on recycled materials will bear comparison with that made from new pulps.

For instance, a Reed and Smith group company, Wansbrough Paper Company, at Watchet in Somerset, has spent two years and something like £300,000 to develop a process and instal plant appropriate to taking paper sacks used for bagging animal feeds and turning them into a substitute for imported pulp, a raw material for which prices are on the increase.

The starting point is baled bags which in addition to the "contraries" normally found in waste — staples, string, plastics—also have residues of meal and often wet strength bonding and bitumen-coated layers. All that would be needed to complete a difficult processing picture is the "stickies" that come from pressure-sensitive adhesives that the Packaging Industry Research Association some time ago learned how to remove from pulps.

Plant which has been set up to cope with the various problems includes a Watford dispersion unit, Grubbens-Albia thin-stock cleaners, an Escher-Wyss fibriser and two Voyce purifiers.

Waste is pulped and then passed to the fibriser which removes plastics, string, and so on. The purifiers take over and feed the pulp to the Watford plant which disperses bitumen and concentrates the pulp.

This is not the end since fine particles of dirt or meal are removed by the Albia cleaners before the pulp goes to the paper-making stage. These machines originate in Sweden and are the first of their type to operate in Britain. The end product of all this is a brown paper used for the manufacture of bags that, Wansbrough asserts, cannot be distinguished from "pure paper."

So much depends on a constant supply of waste sacks that a company has been formed in the group to deal with this vital question of supplies. R. and S. Waste collects, sorts, grades and bales the waste. But the company expects to supply its growing requirements still from sources it used before this move.

Next to substitution by recycled materials comes substitution by competing materials—a whole family of plastics on which a great deal of time and development money has been spent, both to produce a material suitable for the selected purpose and to teach users how their processes should be adapted to cope with new or slightly different properties.

Plastics materials have made significant inroads on the packaging market for wrapping tissues and bags—part of their penetration into packaging on a wide front. They are also continuing to advance into various sectors of the printing industry despite the effects of the vast increase in petroleum prices.

Market

Because the world market both for petroleum derivatives and for pulp defies prediction at the moment, it would be a brave man who would launch out into large synthetic paper production, or large-scale use of such materials.

When the plastics paper chase started in Japan in 1968 with a report from that country's senior science agency that by the end of ten years in Japan alone 2m. tons of synthetic papers based on plastics would be used each year, a number of companies stampeded—particularly as the Japanese appeared convinced that with mass production plastics feedstocks would come down in price so much that they would compete with newsprint pulps.

Vast increases in supplies of polymer raw materials and continuing shortages of timber with inevitable price increases were anticipated. Certainly the latter became true, but the former never came anywhere near predictions and not only because the projected tonnages represented a large proportion of installed capacity for polystyrene and high density polyethylene.

A more staid view from a manufacturer of plastics papers is that they should be considered as an extension to existing print media—pending such time as second generation products absolve the printer and end-user of the very high degree of technical control and awareness of the product needed to produce what admittedly can turn out to be an excellent job.

Nevertheless, plastics and chemicals companies in Japan, the U.S. and Europe have put and still are putting so much into this sector of their development effort that it is clear the consensus still must be for a major market for plastics papers at some time in the future when world economies have recovered.

It is also a significant factor that production units for plastics papers can be one-tenth the size *of pulp-based plants and still* be economical.

For instance, BXL moved into a new plant at Clacton for the production of about 1,000 tonnes a year of Polyart high density polyethylene paper as recently as last June, the official opening being in December. This paper, of which over 60 per cent. is exported, is used very largely in products which need to stand up to particularly tough handling, providing water-resistance as a bonus.

But there are at least 12 companies in the plastics printing materials market and while all of them can point to performance tables which will show that for all the characteristics which go towards printability, their products are superior to paper, it must be said that to obtain the promised results, letterpress and offset lithography operators will have to pay close attention to detail. *This includes appropriate inking*, the use of silicone treated plates or the application of ultraviolet curing.

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Raw materials demand

THE ECONOMIC depression has had predictable effects on the demand for raw materials for the papermaking industry; market pulp suppliers, which prior to that period raised prices rapidly, have suffered severely but present market conditions do not enable them to recover their former position on price.

Sweden, which can be regarded as a good example of pulp suppliers in general, reduced output of chemical market pulp during 1975 by 400,000 tons to 3.76m. tons, but this has to be compared to the record year previously. Their production of paper and board during the year also decreased substantially and utilisation of capacity was low, reaching about 70 per cent. of capacity for the majority of qualities. Production of all market pulp decreased by 13.5 per cent. to 4.34m. tons and a total of 8.34m. tons of chemical, semi-mechanical, semi-chemical and mechanical pulp, both for marketing and for the integrated production of paper and board, were manufactured.

Swedish authorities have released figures showing that the recession affected the deliveries of mechanical pulp severely, decreasing the amount to half that of 1974, with exports amounting to only 252,000 tons, the lowest annual figure since the 1940s. The fourth quarter of 1975 showed some improvement in the deliveries of chemical pulp but low shipments of mechanical pulp continued.

The severe financial problems which Swedish pulp and paper companies would otherwise have experienced and indeed have had to pass on in higher prices, have to some extent been offset by Government subsidies for stockpiling, introduced in the spring of last year. Under the regulations subsidies were granted for increased stockpiling of fully- and semi-finished products providing that employment in the company was maintained for a period. But the scheme has been criticised as coming too late to offset the production losses experienced previously.

It is clear that pulp prices will have to be raised soon to offset rising costs and to retrieve the *position which has been lost in* the past 18 months, during which mills have been operating at a loss in many parts of the world. On the other hand, the very substantial price increases imposed during the last period of high demand are unlikely to be repeated, particularly during a period of expected slow return to high production of paper and board.

For the forseeable future there are no other major sources of pulp other than the traditional producers, U.S., Canada, Japan, Sweden, Russia and Finland (of which the U.S. is the largest producer, accounting for about 40 per cent. of the total). But major producers such as Finland and Sweden are increasingly turning their pulp into paper and board for export, adding value to the product and creating employment in their own countries rather than abroad. There are major efforts now being made to utilise more and more of the trees produced in those countries.

Groups

Sweden has just completed the first year of its whole tree utilisation project, which has generated widespread interest. The work has been divided into four project groups; the first of these is the forest project group which concentrates on availability estimates and on studies concerning biological and ecological effects, which are considered highly important in Sweden where there have been fears of overburdening the forests. This group is also *carrying out studies on how* much of logging waste can be recovered for industrial use.

The logging project group has been studying ideas such as the greater use of stumps and machinery used for extracting them. The reason for this interest in stumps is that the wood involved is of about the same quality from the point of view of pulp production as stem-wood and considerable quantities are involved. This group is also concerned with the utilisation of small trees, either by chipping them near the felling site or sending them to the mill after partial trimming where they can be chipped more efficiently. Here again, the aim is to discover the most efficient means of using the whole tree.

Finally there is a pulp project group, which is working on upgrading low quality chips from small trees and logging waste by means of removing contrary items, and a panel products project group, which is concerned with the interests of the fibre building board and particle board industries.

The research being carried out in Sweden and other producer countries indicates the concern they feel about their wood supplies, which in the case of the Scandinavian countries are an extremely important factor in their economies as a whole. The view of Dr. Hans Gorsler, president of the European Confederation of Paper, Pulp and Board Industries (CEPAC) is that the rare shortages of fibrous raw materials have in the past been created by speculation and that for the foreseeable future chronic bottlenecks of wood supply are not likely, with the possible exception of chemical pulp.

He pointed out recently that wood is a replaceable raw

Continued on next page

Threat to supplies of waste

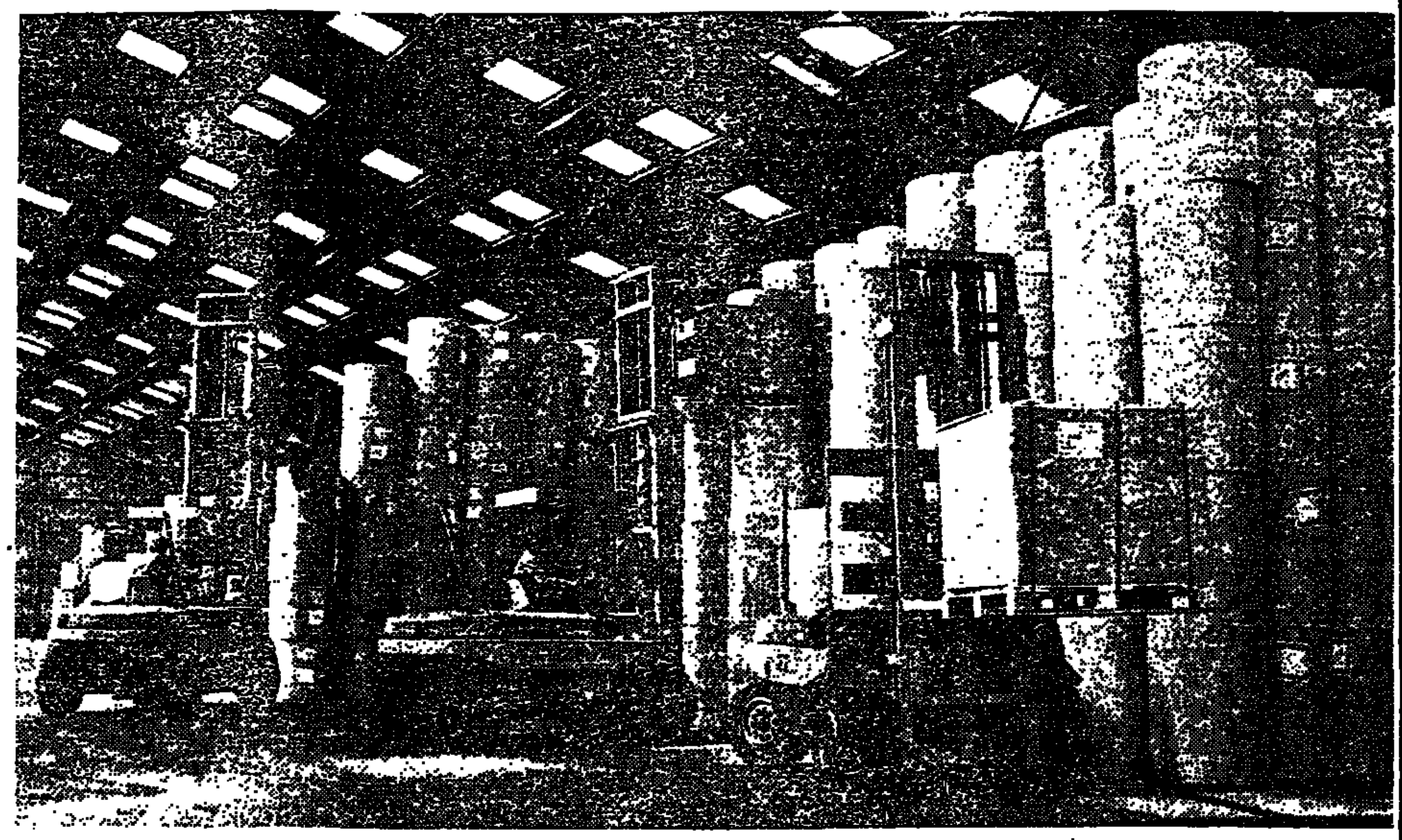
THERE HAS been considerable disappointment in the U.K. paper industry that the Government seems to have turned its back on proposals for a stock support scheme which would iron out the very severe fluctuations in demand for waste paper.

Last year 46 per cent. of the British paper industry's fibre requirements were provided for by waste paper. Another 8 per cent. came from home-grown timber and the remaining 46 per cent. was imported. So the industry is working hard to lift the percentage of recycled paper it uses—for good commercial, as well as ecological, reasons. Waste paper is a much cheaper raw material and its increased use must have an effect on imported pulp prices—and might stop them rising as fast as they might do otherwise.

The cost of imported raw materials in 1974 is estimated at £270m. and it would be running at well over £300m. a year if market conditions were anywhere near normal.

The industry argument is that the 1970s have seen such severe fluctuation in demand for its paper products that the structure of the waste paper collection industry is in danger of complete collapse. Throughout the 1960s, in the bad years the paper producers not once saw demand fall by more than 3.5 per cent. on the previous year (but that was bad enough to cope with). In 1971 the slump was of 12.5 per cent. and that unheard-of drop was eclipsed by the 1975 performance which showed demand for paper no less than 20 per cent. below the 1974 level.

In these conditions there is no way the industry can earn enough to keep stocks above normal levels. Months ago waste paper stock levels in the industry reached 240,000 tonnes and have not been allowed to rise any further. At this level the industry has £12m. or more of working capital tied up in stocks.



Linde N50D fork lift trucks handling reels of paper imported from Sweden after arrival at the port of Blyth in Northumberland.

Plummeted

Naturally enough the price of waste paper has plummeted to the point where in many cases it is just not economically worthwhile to collect it. Local authorities in the light of the stringent new financial restraints they are facing from central Government, are closing down unprofitable waste paper collection operations and it will take an enormous amount of persuasion to bring them back into the business again when demand picks up. They will simply point to the inevitable cycle of demand and say it is not worth employing people, buying equipment and collection vehicles unless they can have some kind of guarantee that there will always be a fair return on the investment.

The industry can point to its medium-term target of raising the quantity of waste paper used as raw material from the 2.1m. tonnes used in 1974 (last year is ignored as being an aberration for the industry) to 3.1m. tonnes sometime in the early 1980s. This forecast was originally meant to reach fulfilment in 1980 but the recession has dampened optimism a little. And there can be no guarantee about the fluctuations in demand from one year to the next.

Without the local authorities, where is the extra waste paper to come from? The industry has long established collection procedures which have left just one gap—the collection of domestic waste paper. This is something that the local authorities must deal with either by collecting themselves or encouraging other organisations to do so by co-operating on the collection.

The first suggestion of a stock support scheme—under which waste paper would be stockpiled in the bad times for use when demand picked up—came from the industry in 1973. The idea was that the Government would help the industry take stocks above the level that physical and financial limitations imposed in normal circumstances.

The proposals were considered by the advisory group on waste recycling and gained its support. That support has been continued through the Waste Management Advisory Council. When the WMAC produced its first annual report (on re-cycled paper, of course) in January it expressed "strong support" for the stock support scheme and said the Government should help with setting-up costs.

It pointed out that the extra 1.1m. tonnes of waste paper the industry expected to use as raw material by the 1980s would save the U.K. £100m. on the import bill (at 1975 prices) and that this could be achieved with present technology.

Although waste paper was not a complete alternative to wood pulp in paper and board production it could be substituted, especially in a range of lower-grade products, it added.

"An increase in the proportion at present used could be achieved within existing technology and research and development could increase it still further," the WMAC pointed out. It recommended a £3m. programme of research and development in which the industry, Government and academics would all play their part. It would concentrate on such things as de-inking, up-grading waste paper and better cleaning.

The Government also had to cope with pressure from the unions which also want a stock support scheme. The Society of Graphical and Allied Trades, the major union in paper-making, has its own campaign as it estimates some 20,000 jobs have been lost in the U.K. because the Scandinavian pulp producers are insisting on doing more and more of the processing themselves before exporting.

Scheme

However, although the Government is expected within the next few weeks to announce a financial aid scheme for the paper producers, the industry's understanding is that there will be no stock support element in it. Officially, the Department of Industry explanation is that the money would be better spent encouraging the industry to provide itself with the equipment which would be able to treat more waste paper and make it suitable for use. Money would also be provided for the buildings to house the stock.

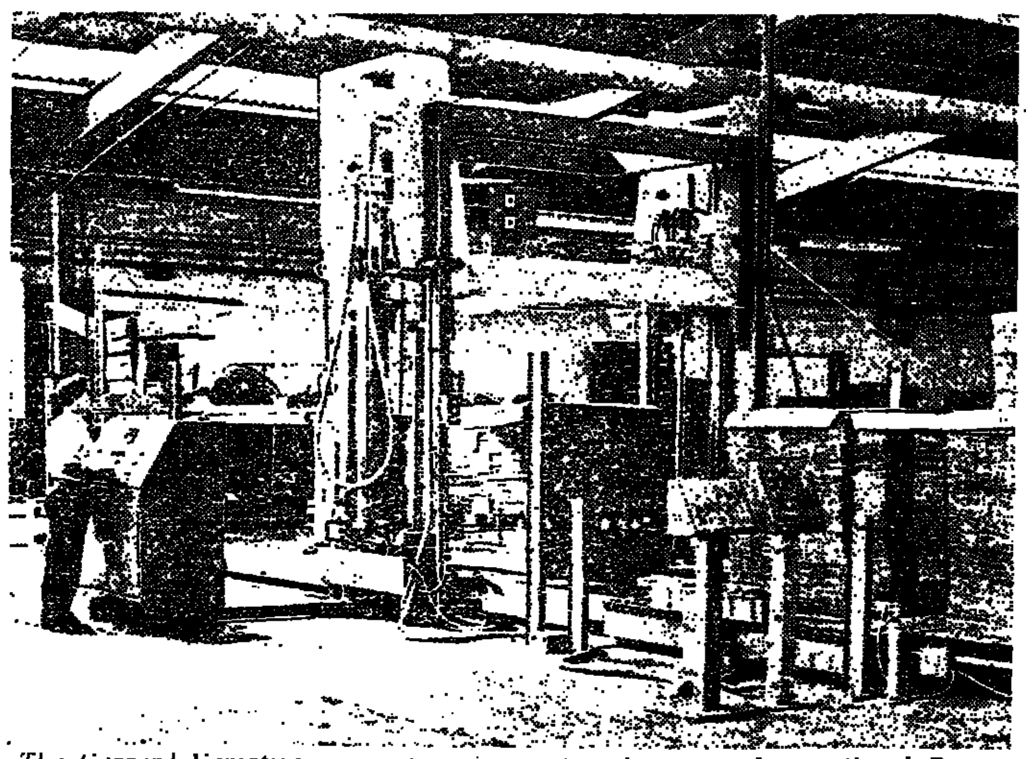
There is no doubt that the industry is thankful that it is to be the subject of a selective investment grant scheme. Up to £23m. is to be made available, roughly £10m. in grants towards new plant using indigenous raw material and £10m. for working capital and stocks in combination with the new plant. There is also to be a provision of £3m. for new schemes in the use of waste paper.

But some people feel that, although the scheme might stimulate demand for waste paper and its use as a raw material, this will only make matters worse when the fluctuations in demand hit the industry.

The Government's big constraint seems to be the attitude of the Common Market Commission to stock building schemes which have State aid and support. It was for this reason that it backed away from helping the British Steel Corporation to set up a formal stockpiling fund. Instead it opted for a back-door operation whereby it has provided the corporation with £70m. through additional public dividend capital and loans from the National Loans Fund to build up stocks during the remainder of the current financial year.

There are many more difficulties involved in finding a way of providing private sector companies with similar help. But, as a spokesman for the British Paper and Board Industry Federation pointed out: "Waste paper is a national resource and it is in the interests of the country as a whole that we make the best use of our natural resources. The Government should do something to preserve the collecting structure."

Kenneth Gooding



The Gerrard Versatiser cross-strapping system in use at International Paper Container.' factory at Winsford, Cheshire.

Materials

CONTINUED FROM PREVIOUS PAGE

material and by fertilising, cultivating special species and planned afforestation the worldwide supply of wood is being steadily increased. On the other hand, since the demand for demand for wood is not expected by Dr. Gorsler to increase significantly, due to smaller rates of growth in paper consumption and for the house building sector, no long term shortage of wood supply is now envisaged. Apart from that, he added at a recent CEPAC meeting, an increase in the present waste paper recycling rate from 28 per cent. by only 1 per cent. would decrease the virgin fibre demand in Europe by 400,000 tons a year.

He also sees an increase in the vertical integration of raw material production, particularly with chemical pulp, as the integration is practically complete for mechanical pulp. This will lead, he believes, to a high concentration of enterprises making papers with a very high content of chemical pulp. As the integration of these two capital intensive industry sectors — chemical pulp and paper — makes full capacity utilisation essential, these integrated producers are expected to penetrate more and more the lower tonnage speciality grades, resulting in a growth in competition.

The views of Mr. Tom Corrigan, chairman of Inveresk and president of the British Paper and Board Industry Federation are rather less optimistic, although his may be longer term. He suggests that it will be a long time before quick-growing timber from areas such as South America, Central Africa, and the Far East is used to any considerable extent. He points to the inescapable problems of politics, organisation and extraction which may cause delays. Furthermore, exploitation of these areas is likely to prove expensive because of the need to provide the infrastructure of roads, railways, ports and so on.

Confirming the views of the Swedish authorities, he believes that greater use of existing organised forest resources should not be underrated, suggesting that better use of chemical fertilisers, better use of the tree and other methods will produce significant increases in supply. We should not forget, he adds, that until quite recently hardwoods were not regarded as suitable for wood pulp.

On a note of caution, Mr. Corrigan suggests that while there are basic paper industries in developing countries, there was still a great dependence on imported materials from the developed world. But as the emerging countries progress it seemed likely that they would seek to develop their own indigenous paper industries.

Was it conceivable, he suggested, that in the future some of those forest-endowed areas could become large and important suppliers to Europe, Japan and even the U.S.? And could there occur, at some distant future date, a crisis in the supply of pulp and paper similar to the oil crisis?

Lorne Barling

STOCK EXCHANGE REPORT

Equities and gilt-edged consolidate recent advance

Index 0.2 up at 406.3 after 408.3—J. Lyons £10½m. 'rights'

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Mar. 8	Mar. 18	Mar. 19	Mar. 30
Mar. 22	Apr. 1	Apr. 2	Apr. 13
Apr. 5	Apr. 14	Apr. 15	Apr. 28

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

Leading equities yesterday failed to repeat the gains seen in either of the two previous days, but in a slightly improved turnover, prices managed to make small headway overall. Buyers were turning their attention more to *quality second-liners in* which orders were more likely to succeed, although even here markets were on the thin side. Sentiment remained unimpaired ahead of the 6 p.m. announcement of the first ballot result for the Premiership which, in the event, was much as expected with Messrs. Foot and Callaghan respectively leading the six contenders.

British Funds extended the unbroken advance to five trading days with fresh gains to ⅜, leaving the Government Securities index 0.15 up at 62.32 for a rise of 0.99 over the longer period.

Trading statements continued to provide pockets of interest. The proposed £10½m. "rights" offer and scheme to enfranchise the "A" shares left **J. Lyons** "A" 11 down at 133p, but the Ordinary 5 up at 140p. **Lucas Industries** *first-half* profits evoked initial disappointment, but the shares picked up from 224p to close unaltered on the day at 228p. The overall improved trend was confirmed by a 9—4 ratio of rises to falls in F.T.-quoted Industrials and the rise of 0.4 per cent. more to 165.86 in the F.T.-Actuaries All-Share index.

Funds continue higher

Predictions of a gradual upturn shortly in U.S. interest rates failed to discourage recent buyers of short-dated British Funds. Business, in fact, expanded noticeably and with the trend in the money market still making for investment, fresh rises extending generally to ⅜ were established. Further forecasts about *the U.K. trade recovery obviously* underpinned sentiment and after-hours' quotations were the day's highest. The medium and longer end of the market more or less followed the upturn in thin dealings to close with general improvements of ¼ to ⅜. Corporations similarly went with the main funds, gaining ⅛ in places.

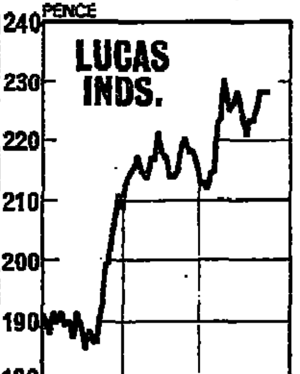
A sporadic buying interest in *the absence of any offerings made* an impact on the investment currency premium, which recovered 3⅞ points to 102 per cent. Yesterday's SE conversion factor was 0.6713 (0.6779).

Up 18 over the previous two trading days on hopes of an early return of bank customer charges, **Barclays** failed to make fresh headway yesterday and drifted *down in slack trading to close 6* lower at 290p. **National Westminster** traded similarly but were only 3 off at 235p, while **Midland** eased the turn to 275p. **Lloyds** touched 223p before closing unaltered at 220p. **National Commercial** were friendless at 68p, down 3. Foreign banks, on the other hand, were firmer. Encouraged by the success of their funding operation, **Standard Chartered** put on 5 to 385p, while similar gains were seen in **Hongkong and Shanghai**, 335p, and **National Bank of Australia**, 275p. Discounts displayed a firmer bias with **Union**, 333p, and **Gillett Bros.**, 203p, both 5 higher. **Minster Assets** hardened 2½ to 52½p in Merchant banks, where **Dawnay Day** edged forward a shade to 16¼p on the interim figures.

***Prudential** featured Insurances*, rising 6 to 140p in response to the satisfactory preliminary results. **Legal and General** (results due next Wednesday) hardened 2 to 139p. Composites displayed no set *trend. Press comment on the* results left **General Accident** a penny down at 180p but "**Royals**" edged up 2 to 318p with the help of Press mention. **C. E. Heath** were quieter among brokers, touching a *1975-76* high of *316p* before easing to close unaltered at 314p.

Buildings had a few firm spots. ***H. and R. Johnson-Richards Tiles*** improved 7 to 232p, while gains of around 4 were recorded by **Wilson (Connolly)**, 51p, and **Leyland Paint**, 36½p. After recent weakness, **Norwest Holst** revived with a rise of 5 to 48p. Press comment helped **Francis Parker** edge up a penny to 8p.

ICI closed without alteration at 396p, after 398p. Elsewhere in *Chemicals, **Fisons** new nil-paid* shares were active and a penny harder at 27p premium, after 30p premium, while the Old closed 2 cheaper at 363p, after 367p. **Yorkshire Chemicals** (ahead of to-day's results) finished 2 cheaper at 140p following news of the sale of the company's adhesives division.



Wearwell erratic

Wearwell continued to attract a fair amount of interest in Stores, the shares opening higher at 24p before reacting to close without alteration at 20p. **Goodman Bros.** *edged up a penny to 12p following* Press comment, while gains of 3 were seen in **Owen Owen**, 68p, and **Waring and Gillow**, 70p. Among smaller-priced issues, **Kunick** finished a fraction harder at 7p. Leading Stores held steady throughout. Shoes were noteworthy for an advance of 4 to 82p in **Pittard Group** following the *preliminary statement.*

There was very little activity in the Electrical leaders and prices moved only a shade either way. News of Sir Jules Thorn's decision to retire from the chairmanship of **Thorn Electrical** came as no surprise to the market and the Ordinary and "A" lost an earlier improvement only of 2 to close unaltered at the common *price of 266p.* ***Smiths Industries*** were unmoved at 144p by news that their chairman Mr. Richard G. Cave is to relinquish his present position in order to succeed Sir Jules as chairman of Thorn. Continuing its recovery from the recent fall on the "rights" offer news, **BICC** ended a penny firmer at 118p, after 119p. Elsewhere, **Pressac** im*proved 3 to 38p in response to the* first-half profits advance while, also benefiting from half-year statements, **Audio Fidelity**, 28p, and **F. W. Thorpe**, 26p, put on 2 apiece. **British Electronic Controls** moved up 3 to a 1975-76 peak of 17p on support in a thin market.

Annual results above expectations failed to register further on **Tube Investments**, which finally eased *4 to 368p. Remaining* Engineering leaders often hardened, but the tone among secondary issues became more irregular. **Rotork**, the recent subject of investment advice and with *results due possibly next month*, rose 8 more to 137p, while **Cornercroft**, 38p, and **Garton Cooper**, 52p, picked up 4 apiece. **Beauford** improved 3 to 44p, but **Weyburn** at last ran into profit-*taking and fell to 690p before* closing a net 25 down at 715p. Press mention encouraged support of **Baker Perkins**, 68p, and **Dunford and Elliott**, 48p, up 3 and 2 respectively, but **Central Wagon** *lost 2½ to 22p, after 20½p, on the* final dividend omission and sharply lower profits. Reflecting the chairman's optimism, **Woodhouse and Rixson** hardened 1 to 38p.

***Bernard Matthews** featured* Foods, closing 12 higher at 100p, after 105p, on the return to profitable trading. Rowntree *Mackintosh were also 12 better at* 203p: the preliminary figures were announced on April 10 last year. **Dejam** were raised 3 to 75p, while minor rises were recorded by **FMC**, 48p, and **Fox's Biscuits**, 114p. **Associated Fisheries** closed without alteration at 24p following the chairman's statement at the annual meeting.

J. Lyons issues closed with con*trasting movements following* news of the £10.5m. "rights" issue proposal and the scheme to enfranchise the "A" shares, the latter declined 11 to 133p, but the Ordinary moved up 5 to 140p. **Ladbroke** remained a dull market, losing 3 more at 108p for a two-day loss of 7 following Press comment on the results.

A. Gallenkamp advance

Miscellaneous Industrial leaders showed no decided trend in quiet trading conditions. **Reed International** were notable for an improvement of 7 at 285p, while **Bowater**, helped by Press comment ahead of next Friday's results, ended 3 higher at 205p. **Turner and Newall**, a firm spot of late on the preliminary statement, also gained 3 more to close at 164p. However, **Unilever**, 444p, and **Reckitt and Colman**, 336p, declined 4 apiece. Elsewhere, **A. Gallenkamp** expressed pleasure with the good first-half profits by advancing 10 more to 136p. **Rockware**, still on the profits advance, closed 3 firmer at 93p, while also on preliminary figures, **Black and Edgington** added 3 at 122p and **Bruntons (Musselburgh)** 2 at 99p. ***Dundonian** found favour and rose* 5 to 40p, while **Foseco Minsep** ended similarly better at 196p and **Kleeman Industrial** 7 up at 207p. A gain of 4 was registered in **Photopia International**, 32p. In contrast, **Royal Worcester** retreated 8 to 116p on consideration of the fall in profits, while reduced profits together with news of fund-raising talks left **Bentima** 2 cheaper at 25p. ***James Warren** were also a dull market*, losing 5 to 43p.

After having fluctuated narrowly in front of the interim statement, **Lucas** reacted briefly to 224p on first-half profits which failed to *come up to the best market ex*pectations before rallying to close without alteration on the day at 228p. **British Leyland** managed to finish 2 harder at 29p despite the labour problems which are *putting the company's investment* programme in jeopardy. **Crane Fruehauf** gave up a penny at 20p on the preliminary figures. Elsewhere, **Dunlop**, 88p, and **Henlys**, 85p, shed 2 apiece.

After-the-event selling brought **News International** back 6 to 165p although the record profits were generally well received by city commentators. **Liverpool Post**, *on the other hand*, rose 5 to 106p, after 107p, following the much better second-half performance. Elsewhere in Newspapers/Publishers, **United** gained 4 more to 286p and **William Collins** *improved* 3 further to 128p. Paper/Printings presented few features apart from **Oxley**, which revived 1½ to 10½p. **TPT** hardened 1 to 50p despite lower profits.

Oils irregular

U.S. influences helped **British Petroleum** again and the close was 5 higher at 600p, after 603p. Other *Oils, with the exception of **Royal** Dutch*, ⅜ harder at £36⅞ reflecting the rise in the premium dollar, turned dull late and **Shell** closed 6 down at 408p, while **Burmah** slipped from 40p to end a net 2 cheaper at 37p. News that the Pan Ocean North Sea consortium may entertain a farm-in offer in order to carry out the Brae Field development programme made no great impression; **Pan Ocean** improved marginally to £11½. **Sunningdale** gained 20 to 820p and ***Siebens (U.K.)*** picked up 15 to 260p. In the Australian section, **Woodside-Burmah** rallied 4 to 100p.

Properties saw very little trade and the leaders were inclined to revert to Wednesday's closing levels after showing initial marginal gains. In firmer vein than most, however, were **British Land**, which recorded a net improvement of 1½ at 30½p, after 31½p. Secondary issues were looking a shade harder. **Peachey** made the best showing at 29½p, up 2½. ***Hong Kong Land** recouped 4 at 127p* following the previous day's reaction of 7 which reflected talk of an impending "rights" offer.

Small irregular movements occurred in Overseas Traders. ***Sime Darby** managed an improve*ment of 4 at 108p, while **James Finlay** put on 2 to 130p, but **Harrisons and Crosfield** lost 25 to 987p. The "after-hours" announcement of preliminary *results left **Australian Agricul*tural** unmoved at 89p.

Reflecting a recent improvement in dry bulk carrier rates, dealers encountered quite a lot of inquiry and business in the freighter Ship*pings. **Reardon Smith** continued* their recent rally, the Ordinary rising 55 to 245p and the "A" 11 to 71p in a thin market. **Sheaf Steam** were also wanted at 81p, up 9, while **Lyle** improved 3 at 188p and penny improvements were seen in **John I. Jacobs**, 26½p, and "**Lofs**," 32½p. Elsewhere, renewed speculative interest took **Furness Withy** 6 higher to 214p. **P and O Deferred** closed 2 to the good at 92p.

Trusts and Financials were generally firmer where changed. Reflecting the satisfactory results, **Rosedimond Capital** put on 4 to 34p.

Buyers continued to be interested in **Carpets International** which improved 3 more to 103p, for a two-day gain of 9; the results are due April 14. Elsewhere in Textiles, **Hollas** added a like amount to 46p and **Hickling Pentecost** hardened 2 to 68p. After a firm start, **Courtaulds** drifted away to close 2 down on the day at 147p. **RKT**, 43p, held steady in front of to-day's preliminary results. Mixed Tobaccos had **Imps** a penny better at 77p, but **Bats** 2 off at 358p.

Rubbers continued to edge forward in thin trading. **Guthrie** improved 3 to 180p and **Kuala Lumpur Kepong** hardened 1¼ at 39p.

Golds mixed

South African Gold shares presented a mixed appearance with selective U.S. buying of certain issues, despite the fall in the bullion price, finally being outweighed by Cape and local offerings. The Gold Mines index was a point down at 170.6 and bullion closed 75 cents lower at $133 per ounce.

Among stocks favoured by a *U.S. demand*, **Free State Geduld** and **Western Holdings** were both a half-point higher at £17¾ and £19 respectively, while **President Brand** rose a ¼ to £12⅜.

On the other hand, **Venterspost** *receded 25 to a 1975-76 low of* 215p and **Libanon** retreated 20 to 455p.

South African based financials mirrored Golds. **Anglo American** fell 5 to 255p but **Anglo-Vaal** rose 25 to 925p.

In Coppers, **Botswana RST** dropped 12 to 42p on considerations of the parlous financial position. **Messina** and **RCM** were both 5 lower at 185p respectively while **ZCI** 27p.

Platinums were qui **Potgietersrust** being 118p. Tins were mode with the notable ex **Amalgamated Tin** which opened at 40p the strength of the but *subsequently* fell loss on balance of 8, fo news that at the curre the company is likely better than break-eve the recent wage increa

Elsewhere, **Murchison** 680p on consideratio chairman's cautious r

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS GROUPS & SUB-SECTIONS Figures in parentheses show number of stocks per section.	Thursday, March 25, 1976 Index No.	Day's Change %	Est. Earnings Yield % (Max. Corp. Tax 52%)	Gross Div. Yield % (ACT at 35%)	Est. P/E Ratio (net) Corp. Tax 52%	Est. P/E Ratio (nil) Corp. Tax 52%	Wed. March 24 Index No.	Tuesday March 23 Index No.	Monday March 22 Index No.	Friday March 19 Index No.	Year ago (approx.) Index No.	Highs and Lows Index 1975/76 High	1975/76 Low	Since Compilation High	Since Compilation Low
1 CAPITAL GOODS (178)	155.86	+0.9	14.78	5.50	10.21	10.20	154.55	152.13	150.53	151.34	103.47	157.57 (11/3/76)	51.76 (6/1/75)	206.57 (4/5/72)	50.71 (13/12/74)
2 Building Materials (29)	145.47	-0.4	11.76	5.99	12.80	12.80	144.91	143.24	140.73	141.56	92.10	150.18 (16/1/76)	46.11 (6/1/75)	233.84 (2/5/72)	44.27 (11/12/74)
3 Contracting, Construction (23)	234.24	-0.2	15.06	4.22	10.38	10.38	233.87	229.65	227.29	229.01	191.58	263.54 [illegible]	74.74 (6/1/75)	389.33 (19/5/72)	71.48 (12/12/74)
4 Electricals (16)	273.37	-1.5	15.95	4.37	9.19	9.19	269.34	262.86	261.76	263.63	189.00	279.40 (11/3/76)	98.49 (2/1/75)	360.04 (4/5/72)	86.71 [illegible]
5 Engineering (Heavy) (13)	176.45	-0.5	18.82	6.69	8.63	8.63	177.28	173.08	170.43	171.75	122.89	181.58 (30/1/76)	64.39 (2/1/75)	202.57 (6/6/75)	94.453 [illegible]
6 Engineering (General) (63)	144.80	-0.9	15.28	5.92	9.82	9.81	143.47	141.68	140.14	140.72	89.05	144.80 (25/3/76)	45.45 (6/1/75)	168.59 (4/5/72)	45.14 (6/1/75)
7 Machine and Other Tools (9)	59.85	+0.8	14.11	6.23	12.78	12.78	59.36	58.43	58.32	57.95	37.43	59.85 (25/3/76)	20.11 (2/1/75)	136.70 (4/7/69)	19.96 (13/12/74)
8 Miscellaneous (25)	133.39	+1.2	14.98	6.31	10.27	10.27	131.85	130.47	129.52	129.79	93.29	134.85 (26/2/76)	49.65 (6/1/75)	177.41 (27/4/72)	49.65 (6/1/75)
9 CONSUMER GOODS (DURABLE) (37)	136.89	+0.3	14.03	4.53	10.81	10.79	138.46	135.55	133.17	133.74	77.80	141.28 (11/3/76)	38.39 (6/1/75)	227.78 (21/4/72)	38.39 (6/1/75)
10 Lt. Electronics, Radio TV (16)	156.50	+0.6	12.36	3.51	12.13	12.11	155.64	151.75	147.95	149.49	91.28	160.15 (11/3/76)	44.28 (6/1/75)	257.41 (19/5/72)	42.85 (12/12/74)
11 Household Goods (15)	182.32	+1.2	18.10	6.18	8.35	8.33	180.18	176.84	176.38	177.10	124.82	184.94 (25/2/76)	64.53 (6/1/75)	263.22 (4/5/72)	63.92 (17/12/74)
12 Motors and Distributors (26)	83.62	-0.5	15.24	5.62	10.11	10.11	84.02	82.74	81.85	81.36	40.18	85.05 (16/3/76)	19.91 (6/1/75)	170.59 (15/1/69)	19.91 (6/1/75)
13 CONSUMER GOODS (NON-DURABLE) (167)	152.75	+0.1	13.80	5.80	10.71	10.63	152.61	150.67	148.76	149.64	114.29	162.24 (5/2/76)	61.98 (6/1/75)	226.08 (16/2/72)	61.41 (13/12/74)
14 Breweries (15)	158.26	-0.3	14.26	6.82	10.52	10.52	157.78	155.46	152.74	154.91	129.15	179.43 (2/2/76)	75.58 (6/1/75)	281.87 (25/11/72)	69.47 (13/12/74)
15 Wines and Spirits (7)	181.17	—	10.22	5.57	14.85	14.85	181.21	179.50	176.72	178.49	128.17	185.89 (15/3/76)	80.42 (6/1/75)	257.40 (15/7/72)	78.81 (13/12/74)
16 Entertainment, Catering (14)	197.16	-0.3	12.44	6.58	12.38	12.28	197.73	193.55	189.02	190.14	113.15	211.86 (8/3/76)	55.28 (6/1/75)	329.99 (12/12/72)	54.87 (19/7/74)
17 Food Manufacturing (22)	167.39	—	12.59	5.02	11.22	11.14	167.33	165.73	163.68	164.66	120.99	174.03 (4/2/76)	62.03 (2/1/75)	211.66 (1/5/72)	59.78 (11/12/74)
18 Food Retailing (16)	159.13	-0.2	11.99	4.98	12.15	12.15	159.45	158.03	156.41	156.26	116.27	166.88 (10/11)	57.15 (2/1/75)	235.06 (15/6/72)	54.25 (11/12/74)
19 Newspapers, Publishing (15)	182.19	-0.1	12.38	5.63	12.12	12.12	182.40	179.64	179.09	178.59	120.67	184.34 (11/3/76)	65.08 (6/1/75)	250.29 (16/1/72)	55.08 (6/1/75)
20 Packaging and Paper (13)	107.67	-0.9	20.26	7.10	7.35	7.35	108.64	107.00	106.85	106.86	80.11	112.50 (26/2/76)	43.46 (6/1/75)	135.69 (26/4/72)	43.46 (6/1/75)
21 Stores (34)	125.69	+0.2	12.03	5.37	12.77	12.75	125.48	124.11	122.56	123.72	101.74	136.24 (2/2/76)	52.63 (6/1/75)	204.39 (16/8/72)	52.63 (6/1/75)
22 Textiles (22)	170.23	-0.2	14.06	6.39	9.17	8.60	170.64	168.06	165.77	165.54	110.27	183.19 (30/1/76)	62.91 (6/1/75)	253.72 (17/3/68)	62.66 (11/12/74)
23 Tobaccos (3)	220.73	-0.8	19.75	6.42	7.72	7.72	219.08	215.82	214.51	214.51	168.22	236.22 (5/3/76)	109.92 (6/1/75)	339.16 (2/8/72)	94.34 (13/6/62)
24 Toys and Games (6)	69.63	—	19.58	5.34	7.11	7.11	69.61	69.61	69.34	69.11	37.70	70.53 (15/3/76)	20.92 (6/1/75)	135.72 (16/1/70)	20.92 (6/1/75)
OTHER GROUPS (94)															
25 Chemicals (24)	222.36	-0.3	11.68	4.35	11.82	11.82	221.74	219.82	216.78	218.20	137.13	226.72 (12/3/76)	73.14 (6/1/75)	226.72 (12/3/76)	91.20 (1/12/74)
26 Office Equipment (10)	92.30	+1.2	13.98	5.62	10.90	10.90	91.24	89.42	88.23	89.39	89.35	104.78 (17/4)	45.34 (2/1/75)	246.06 (1/9/72)	45.34 (2/1/75)
27 Shipping (12)	372.53	+2.3	19.18	6.65	6.67	6.41	364.11	361.56	355.54	355.52	336.89	432.84 (30/1/76)	194.38 (6/1/75)	517.00 (6/12/72)	90.80 (29/6/62)
28 Miscellaneous (48)	168.61	+0.7	13.99	6.34	10.53	10.52	167.43	165.38	163.11	164.41	117.72	172.75 (30/1/76)	60.39 (6/1/75)	258.83 (2/6/72)	60.39 (6/1/75)
29 INDUSTRIAL GROUP (496)	160.07	+0.4	13.86	5.49	10.60	10.55	159.38	157.26	155.25	156.18	112.12	164.06 (30/1/76)	59.19 (6/1/75)	220.17 (1/5/72)	59.01 (13/12/74)
30 OILS (4)	348.95	-0.3	14.29	4.71	7.90	7.46	349.99	341.37	337.35	345.07	198.21	356.97 (12/3/76)	105.83 (2/1/75)	451.66 (29/5/69)	87.23 (29/5/62)
31 500 SHARE INDEX	175.84	+0.3	13.93	5.37	10.08	9.93	175.28	172.65	170.46	171.91	119.56	179.18 (11/3/76)	63.49 (6/1/75)	227.95 (16/8/72)	63.49 (13/12/74)
32 FINANCIAL GROUP (100)	137.33	+0.1		5.23	—		137.22	136.31	133.86	134.61	114.17	153.46 (30/1/76)	56.50 (6/1/75)	241.41 (11/4/72)	55.88 (13/12/74)
33 Banks (6)	158.65	-1.2	19.27	5.53	7.98	7.98	160.55	156.92	153.86	152.95	125.57	192.16 (29/1/76)	62.56 (2/1/75)	288.32 (20/7/72)	62.44 (12/12/74)
34 Discount Houses (10)	165.18	+0.9	—	7.44	—	—	163.70	163.33	161.22	161.22	147.72	186.52 (15/1/76)	84.13 (6/1/75)	293.13 (27/7/72)	81.40 (10/12/74)
35 Hire Purchase (5)	124.95	-0.5	—	5.04	—	—	125.55	126.48	123.11	122.26	111.98	134.39 (16/3/76)	42.81 (6/1/75)	433.72 (4/5/72)	38.83 (11/12/74)
36 Insurance (Life) (9)	122.48	+1.4	—	5.58	—	—	120.77	120.17	119.06	119.67	92.52	129.46 (30/1/76)	44.88 (2/1/75)	194.46 (15/3/72)	44.88 (2/1/75)
37 Insurance (Composite) (7)	111.85	+0.1	—	6.13	—	—	111.75	111.42	109.81	112.02	85.88	133.90 [illegible]	44.47 (2/1/75)	155.76 (21/4/72)	43.96 (13/12/74)
38 Insurance Brokers (9)	241.58	+0.1	8.87	3.86	16.69	16.69	241.35	241.05	237.90	236.56	152.54	246.31 (11/3/76)	68.96 (7/1/75)	262.57 (12/12/72)	65.60 (16/12/74)
39 Merchant Banks (17)	83.02	+0.5	—	6.64			82.76	82.05	81.99	83.07	60.94	94.97 [illegible]	31.21 (1/1/75)	276.57 (1/5/72)	31.21 (1/1/75)
40 Property (31)	168.10	+1.3	2.81	2.90	65.89	61.57	165.92	163.95	161.74	162.48	179.68	241.22 [illegible]	88.19 (1/1/75)	357.40 (9/11/73)	56.01 (20/4/65)
41 Miscellaneous (6)	81.95	-0.8	15.95	6.85	9.81	9.81	81.27	80.59	80.26	81.14	66.65	91.98 [illegible]	54.78 [illegible]	303.15 (16/5/72)	55.29 (11/12/74)
42 Investment Trusts (50)	162.95	-1.7	3.22	4.45	32.32	32.30	160.16	159.02	158.83	161.13	132.23	184.55 (30/1/76)	73.45 (6/1/75)	340.79 (25/4/72)	71.05 (14/12/74)
43 ALL-SHARE INDEX (650)	165.86	+0.4	—	5.30	—	—	165.28	163.11	160.99	162.35	118.32	172.64 (30/1/76)	62.16 (6/1/75)	228.18 (1/5/72)	61.92 (13/12/74)
COMMODITY GROUPS (*Not included in 500 or All-Share indices*)															
44 Rubbers (9)	461.21	-2.4	13.90	7.28	11.05	11.02	450.55	445.22	437.87	442.18	457.73	525.43 [illegible]	281.66 (6/1/75)	565.37 [illegible]	84.68 (25/8/65)
45 Teas (8)	127.30	-0.2	33.10	9.30	4.10	3.96	127.09	126.71	125.82	125.48	84.25	127.30 (25/3/76)	76.76 [illegible]	127.30 (25/3/76)	59.72 [illegible]
46 Coppers (3)	190.88	-3.3	51.77	9.00	1.93	1.93	197.55	202.41	201.00	212.21	406.16	407.74 [illegible]	185.83 [illegible]	507.70 [illegible]	94.06 (28/4/62)
47 Mining Finance (11)	97.32	-0.7	12.14	5.17	9.30	9.30	96.62	97.53	97.42	99.20	109.75	141.34 [illegible]	60.38 (2/1/75)	175.90 (22/4/69)	66.31 (30/9/74)
48 Tins (8)	105.90	+0.6	11.45	8.33	12.72	12.06	105.22	103.02	100.06	98.67	93.16	114.49 [illegible]	56.91 (6/1/75)	125.43 (12/1/73)	54.83 (27/5/71)
49 Overseas Traders (13)	233.23	-0.2	14.36	4.45	9.13	9.12	233.69	232.34	230.14	234.06	187.17	252.23 [illegible]	97.37 (6/1/75)	252.23 (30/5/75)	97.37 (6/1/75)

FIXED INTEREST	Thurs., March 25 Index No.	Yield %	Wed. March 24	Tuesday March 23	Monday March 22	Friday March 19	Thurs. March 18	Wed. March 17	Tuesday March 16	Year ago (approx.)	1975/76 High	1975/76 Low	Since Compilation High	Since Compilation Low
1 *Consols 2½% yield*	—	13.93	13.95	14.02	14.11	14.10	14.19	14.19	14.28	14.13	—	—	—	—
2 20-yr. Govt. Stocks (6)	49.84	‡15.06	49.82	49.24	48.92	48.82	48.75	48.77	48.61	51.31	53.46 (30/1/76)	38.27 (6/1/75)	115.48 (11/8/65)	38.27 (6/1/75)
3 20-yr. Red. Deb. & Loans (15)	49.42	‡14.94	49.50	49.50	49.59	49.57	49.52	49.52	49.99	49.95	51.46 (4/2/76)	37.01 (6/1/75)	113.43 (25/10/65)	37.01 (6/1/75)
4 Investment Trust Prefs. (15)	48.81	14.17	48.77	48.77	48.84	49.20	49.25	49.30	49.39	46.57	51.23 (18/3/76)	35.35 (4/1/75)	114.41 (15/8/65)	34.45 (4/12/74)
5 Coml. and Indl. Prefs. (20)	68.07	13.98	68.18	68.27	68.05	68.54	68.66	68.50	68.48	65.73	71.97 [illegible]	47.67 (6/1/75)	114.95 (1/10/65)	47.67 (6/1/75)

Section or Group	Base Date	Base Value	Section or Group	Base Date	Base Value
Overseas Traders	31/12/74	100.00	Miscellaneous Financial	31/12/70	128.06
Engineering (Heavy)	31/12/71	153.84	Food Manufacturing	29/12/67	114.13
Engineering (General)	31/12/71	153.84	Food Retailing	29/12/67	114.13
Wines and Spirits	16/1/70	144.75	Insurance Brokers	29/12/67	96.67
Toys and Games	16/1/70	135.72	Mining Finance	29/12/67	100.00
Office Equipment	16/1/70	142.74	All Other	10/4/62	100.00
Industrial Group	31/12/70	128.20			

‡ Redemption yield. FT-Actuaries Indices are calculated by Extel Communications Limited (a member of the Exchange Telegraph Group) on an IBM 370 computer.

A list of the constituents of the FT-Actuaries Share Indices is now available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p. By post 20p.

FINANCIAL TIMES STOCK INDICES

	March 25	March 24	March 23	March 22	March 19
Government Secs.	62.32	62.17	61.89	61.55	61.50
Fixed Interest	61.74	61.69	61.57	61.23	61.25
Industrial Ordinary	406.3	406.1	399.1	391.5	394.3
Gold Mines	170.6	171.6	173.4	179.6	185.6
Ord. Div. Yield %	5.12	5.09	5.17	5.26	5.22
Earnings Y'ld % (full)(a)	15.16	15.15	15.28	15.56	15.44
P/E Ratio (net) (a) (b)	9.65	9.68	9.60	9.45	9.50
Dealings marked	7,078	6,005	5,656	5,765	5,778
Equity turnover £m	—	69.21	56.55	42.22	69.21
Equity bargains total	—	17,065	16,150	15,495	16,219

10 a.m. 408.3. 11 a.m. 407.8. Noon 407.8. 1 p.m. 407.2. 2 p.m. 407.5. 3 p.m. 407.6.

Latest Index 01-246 8026.

(a) Based on 52 per cent. corporation tax. (b) Nil=9.38. Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1975/6 High	1975/6 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	[illegible]	49.18 [illegible]	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	64.45 [illegible]	50.53 (3/1/75)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	417.6 (30/1/76)	146.0 (6/1/75)	543.6 (19/5/72)	49.4 (26/6/40)
Gold Mines	442.3 (22/5/75)	164.0 [illegible]	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

	March 25
Daily—	
Gilt-Edged	178
Industrials	257
Speculative	57
Totals	161
5-day Av'ge	
Gilt-Edged	148
Industrials	209
Speculative	65
Totals	157

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1975/6 high	1975/6 low
British Leyland	50p	12	29	+2	57	20
BP	£1	11	600	+5	615	190
ICI	£1	10	396	—	404	118
"Bats"	25p	9	358	−2	377	164
Burmah Oil	£1	9	37	−2	100	27
Fisons "New"	Nil/pd.	9	27*	+1	30*	16*
Tube Invs.	£1	9	368	−4	372	121
Assoc. P. Cement	£1	8	188	+2	202	64
De La Rue "New"	Nil/pd.	8	34*	—	34*	24*
Grand Met.	50p	8	73	—	88	17½
Lucas Inds.	£1	8	228	—	236	37
Marks & Spencer	25p	8	94	−1	128	47½
Turner & Newall	£1	8	164	+3	164	66
BICC	50p	7	118	+1	140	66
GEC	25p	7	159	—	162	51

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e).

* Premium.

Option Report—3-month Call rates

OPTION DEALING DATES First Dealings	Last Dealings	Last Declaration	For Settlement
Mar. 16	Mar. 29	Jun. 10	Jun. 22
Mar. 30	Apr. 12	Jun. 24	July 6
Apr. 13	Apr. 27	July 8	July 20

"Calls" were dealt in S. Osborn, Mettoy, Premier Cons., Letraset, Dundonian, Triplevest Capital, Ultramar, Lonrho, J. H. Dennis, National Westminster Bank Warrants, Head Wrightson Burmah Oil, Sears and Dunlop. No "puts" were reported, while "doubles" were arranged in Premier Cons., De Beers, Dunlop, Lonrho and J. H. Daniels.

Industrials							
		Guardian	20	Spillers	5	Shell	25
		G.K.N.	22	Tesco	5	Ultramar	20
A. P. Cement	15	Hawker Sidd.	55	Thorn "A"	20		
Assoc. Leisure	3	House of Fraser	8	Tube Invest.	27	Mines	
Barclays Bank	22	I.C.I.	21	Unilever	40	Anglo Amer.	50
Beecham	28	"Imps"	7	*Utd. Drapery*	10	Charter Cons.	16
Boots Drug	12	I.C.L.	14	Vickers	15	Chart'rh'll Fin.	6
Bowaters	16	Inveresk	7	Williams Hud'n	4	Cons. Gold	16
B.A.T.	30	Legal & General	13	Woolworths	6	De Beers Def.	55
British Leyland	7	Ladbroke	11			F. S. Geduld	350
B.I.C.C.	5½	Lloyds Bank	22	Property		Great Boulder	12
Burton "A"	7	"Lofs"	8½	Brit. Land	4½	Hampton Areas	12
Cadburys	6	"Mams"	6	*Cap. Counties*	3½	Hampton Prop.	4
Courtaulds	11	Marks & Spencer	10	E.P.	8	Kloof	100
Debenhams	8	Midland Bank	22	Int. Europ.	7	Lonrho	12
Distillers	13	Nat West Bank	20	Land Securities	18	Loraine	55
Dunlop	7½	"Do" Warrants	10	MEPC	10	Poseidon	55
Eagle Star	13	P & O Dfd.	11	Peachey	4½	Pres. Steyn	200
E.M.I.	17	Plessey	8	Town & City	5½	Rio T. Zinc	17
Gen. Accident	16	R.H.M.	6	*Town & Comm.*	4	*Welkom*	55
Gen. Electric	15	Rank Org. "A"	16			West Areas	40
Glaxo	35	Reed Int'l.	23	Oils		Western M'ng.	18
Grand Met	7	Rothmans	4	Brit. Petroleum	40		
[illegible] "A"	17	Slater Walker	4½	Burmah Oil	7		

NEW HIGHS AND LOWS FOR 1975/76

The following securities (numbers in parentheses) among those quoted in the Share Information Service yesterday attained new Highs and Lows for 1975-76.

NEW HIGHS (53)

BRITISH FUNDS (2)
Electric 4½pc '74-79 Funding 5½pc '78-80
CORPORATION LOANS (2)
GLC 5½pc 1976 GLC 7½pc 1977
LOANS (2)
ICFC 10pc 'C' '76 Ultramar 7pc '75-78
AMERICANS (3)
Carrier Corp. Rexnord
Cont. Illinois
CHEMICALS (1)
Storey Bros
ELECTRICALS (6)
Audio Fidelity Ever Ready
Bowthorpe Racal Electronic
British Electronic Thorpe (F. W.)
ENGINEERING (6)
Ash & Lacy Birmid Qualcast
Astra Secs. Brockhouse
Beauford Whessoe
FOODS (2)
Banks (Sidney C.) Matthews (B.)
INDUSTRIALS (15)
Bifurcated Negretti & Zambra
Bridon Reed Executive
British Vita Rooney Hides
Bruntons (Muss.) Do. 'A'
Courtney Pope Solicitors Law
Lead. Inds. Turner & Newall
McBride (Robert) Wedgewood
Mitchell Cotts Transpt.
INSURANCE (1)
Heath (C. E.)
MOTORS (1)
Quick (H. J.)
NEWSPAPERS (3)
Collins (William) Liverpool Daily Post
Do. 'A'
PAPERS (1)
Bemrose
SHIPPING (1)
Jacobs (J. I.)
SHOES (1)
Pittard Group
TEXTILES (4)
Bright (John) Dawson Internatl.
Wood Bastow Do. 'A'
TRUSTS (1)
New York Gartmore
OILS (1)
Sunningdale Oils

NEW LOWS (9)

BUILDINGS (1)
Ireland (Ernest)
ENGINEERING (1)
Central Wagon
INDUSTRIALS (1)
Warren (James)
SOUTH AFRICANS (1)
Anglo Transvaal Inds.
OILS (1)
Burmah 8½pc Ln. 1991-96
OVERSEAS TRADERS (1)
Caron
MINES (3)
Venterspost Roan Consid.
Western Areas

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	45	—	14
Corpns., Dom. and Foreign Bonds	23	1	40
Industrials	383	164	1,182
Financial and Prop.	223	45	536
Oils	10	5	17
Plantations	12	2	31
Mines	29	37	42
Recent Issues	23	5	41
Totals	748	259	1,713

MONEY MARKET

Moderate assistance

Bank of England Minimum Lending Rate 9 per cent.
(since March 5, 1976)

There was a shortage of day-to-day credit in the London *money market yesterday*, and the authorities intervened on a moderate scale, by buying both Treasury bills and Corporation bills. The market was faced with a net take up of Treasury bills, small gilt-edged sales, and an excess of revenue transfers to the Exchequer over Government disbursements. This appeared to be larger than expected. On the other hand, banks brought forward surplus balances, and there was a decrease in the note circulation.

Discount houses paid 8-8½ per cent. for secured call loans at the start, and rates remained firm closing between 8 per cent. and 9½ per cent. In the interbank market overnight loans commanded 8½-8¾ per cent. in the early part, and after easing to 8-8½ per cent., bardened at the close to 9½-10 per cent. Short term fixed period interest rates remained steady on balance.

Rates in the table below are nominal in some cases.

Mar. 25 1976	Sterling Certificates of deposits	Interbank	Local Authority deposits*	Local Auth. negotiable bonds	Finance House deposits	Company deposits	Discount market deposits	Treasury bills ф	Bank Bills ф	Fine trade Bills ф
Overnight	—	8-10	—	—	—	8-10	8-9½	—	—	—
2 days notice	—	—	9¼-8⅜	—	—	—	—	—	—	—
7 days or 7 days notice	—	8⅞-8⅜	8⅝-½	—	—	—	8-8¾	—	—	—
One month	8⅝-8⅜	8½-8½	8⅝-8½	9-9½	8¼-9¼	—	8⅛	8¼	8⅛-8¼	9¼-9
Two months	8½-9	8⅝-½	—	9-9½	8¼-9¾	—	8¼	8⅝-8⅞	8⅞-8⅞	9⅛-9
Three months	8⅞-8⅞	8⅞-8⅞	8⅞-9	9¼-8¾	8¼-9¼	—	8⅝	8⅝-8⅞	8⅞-8⅝	9⅛-9
Six months	9⅛-9	9-9¼	9⅝	9½-9	8¾-9¾	—	—	—	8⅞-8⅞	9⅛-9¼
Nine months	9⅛-9⅛	9½-9⅜	—	10⅛-10	9⅞-10⅛	—	—	—	—	—
One year	9⅞-9⅜	9½-10	10½-10⅜	10½-10	10-11⅛	—	—	—	—	—
Two years	—	—	11¾-12	—	—	—	—	—	—	—

* Local authority and finance houses seven days' notice, others seven days' fixed. * Longer-term local authority mortgage rate nominally three years 12¼-12½ per cent.; four years 12¾-13 per cent.; five years 13-13¼ per cent. ф Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 8¾-8⅞ per cent.; and four-month trade bills 9⅛-9¾ per cent. Approximate selling rate for one-month Treasury bills 8⅜ per cent.; two-months 8⅜ per cent.; and three-months 8⁷⁄₁₆ per cent. Approximate selling rate for one-month bank bills 8⅝-8¾ per cent.; two-month 8¹¹⁄₁₆-8¹⁵⁄₁₆ per cent.; and three-month 8⁷⁄₁₆ per cent.; for one-month trade bills 9½-8⅝ per cent.; two-month 9⅛-8⅞ per cent.; and three-month 9⅛-8⅞ per cent.

Finance House Base Rate (published by the Finance Houses Association), 10 per cent. from March 1. Clearing Bank Deposit Rate for small sums at seven days' notice 5½ per cent. Clearing Bank Base Rate for lending 9½ per cent. Treasury Bills: Average tender rate of discount 8.4624 per cent.

Hull hand

more carg

CARGOES HANDLED of Hull so far this risen by 80,000 tonnes tonnes, compared wit responding period las Docks Board reported

Imports were up 62 and exports almost 28 The number of touris passenger terminal 8,000 to 26,000.

Radio rev

GROSS REVENUE dent Local Radio last £806,448, bringing th the year so far to £

BASE LEN RATES

Allied Irish Banks
American Express
Anglo-Portuguese
Henry Ansbacher
Banco de Bilbao
Banco de Jerez
Bank of Cyprus
Bank of N.S.W.
Banque du Rhone
Barclays Bank
Barnett, Christie
Bremar Holdings
Brit. Bank of Mid.
■ Brown Shipley
Canada Permanent
Cayzer, Bowater Co
Cedar Holdings
■ Charterhouse Japh
C. E. Coates
Consolidated Cred
Co-operative Bank
Corinthian Securiti
Credit Lyonnais
G. R. Dawes
Duboff Brothers
Duncan Lawrie
English Transcont
First London Secs.
■ Antony Gibbs
Goode Durrant Tru
Greyhound Guaran
Grindlays Bank
■ Guinness Mahon
■ Hambros Bank
Hawtin & Partner
■ Hill Samuel
C. Hoare & Co.
Julian S. Hodge
Hongkong & Shan
Industrial Bank of
Keyser Ullmann
Knowsley & Co. Lt
Lloyds Bank
London & Europea
London Merc'tile C
Midland Bank
■ Samuel Montagu
■ Morgan Grenfell
National Westmi
Northern Comm. T
Norwich General T
Portman Trust
P. S. Refson & C
Rossminster Accep
Schlesinger Limite
E. S. Schwab
Security Trust Co
Shenley Trust
Standard Chartere
Thames Guaranty
Trade Development
Twentieth Century
United Bank of Ku
Whiteaway Laidlaw
Williams & Glyn's
Yorkshire Bank

■ Members of the Acce Committee.
* 7-day deposits on sums o 34%.
† 7-day deposits on sums o under £25,000 6½%, £ over £25,000 7%.
‡ Demand deposits 5½%.
† Call deposits over £1

CORAL INDI
Close 406-41

I.G. INDEX
GOLD 131½-13

INSURANCE RATES

† Atlantic Assurance
Cannon Assurance
Address shown under Property Bond table.

[illegible]

AUTHORISED UNIT TRUSTS

Bridge Talisman Fd. Mgrs.♥ (a)(c)

The British Life Office Ltd.♥ (a)

Brown Shipley & Co. Ltd.♥(a)(c)

Canada Life Unit Tst. Mngrs. Ltd.♥

Capel (James) Mngt. Ltd.♥

Carliol Unit Fd. Mgrs. Ltd.♥ (a)(c)

Charterhouse Japhet♥

Confederation Funds Mgt. Ltd.♥ (a)

Cosmopolitan Fund Managers.

Coyne Investment Mgmt. Ltd.

Crescent Unit Tst. Mgrs. Ltd. (a) (g)

Discretionary Unit Fund Managers

Equitas Secs. Ltd. (a) (g)

Equity & Law Un. Tr. M.♥ (a)(b)(c)

Framlington Unit Mgt. Ltd.♥

Friends' Provdt. Unit Tr. Mgrs♥

G.T. Unit Managers Ltd.♥

G. & A. Tst. (a) (G)

Gartmore Fund Managers♥(a)(g)

Gibbs (Antony) Unit Tst. Mgs. Ltd.

Govett (John)♥

Grieveson Management Co. Ltd.

Guardian Royal Ex. Unit Mgrs. Ltd.

Henderson Administration♥

Hill Samuel Unit Tst. Mgrs.♥ (a)

Intel.♥ (a) (g)

Ionian Unit Tst. Mngmnt. Ltd.♥

Key Fund Managers Ltd. (a) (g)

Kleinwort Benson Unit Managers♥

L & C Unit Trust Management Ltd.♥

Lawson Securities Ltd. (a)(c)♥

Legal & General Tyndall Fund♥

Leonine Administration Ltd.

Lloyds Bk. Unit Tst. Mngrs. Ltd.♥(a)

Lloyd's Life Unit Tst. Mngrs. Ltd.

London Wall Group

M & G Group♥ (y) (c) (z)

ManuLife Management Ltd.♥

Mercury Fund Managers Ltd.

Midland Bank Group Unit Tst. Mngrs. Ltd.♥

Minster Fund Managers Ltd.

Mutual Unit Trust Managers♥(a)(g)

National Provident Inv. Mngrs. Ltd.♥

National Westminster♥ (a)

NEL Trust Managers Ltd.♥ (a)(g)

New Court Fund Managers Ltd. (g)

Norwich Union Insurance Group

Oceanic Managers (a) (c)

Pearl Trust Managers Ltd. (a) (g) (z)

Pelican Units Admin. Ltd. (g)(x)

Perpetual Unit Trust Mngmt.♥ (a)

Piccadilly Unit T. Mgrs. Ltd.♥ (a)(b)

Practical Invest. Co. Ltd.♥(y)(c)

Provincial Life Inv. Co. Ltd.♥

(e)Prudl. Unit Tst. Mngrs.♥(a)(b)

Quilter Management Co. Ltd.♥

Reliance Unit Mgrs. Ltd.♥

Remigium Management Ltd.♥

Ridgefield Management Ltd.

Rothschild Asset Management (g)

Rowe & Pitman Management Ltd.♥

Royal Tst. Can. Fd. Mgrs. Ltd.

Save & Prosper Group(a)

Ebor Securities Limited♥

Save & Prosper Secs.♥

Scotbits Securities Ltd.♥

J. Henry Schroder Wagg & Co. Ltd.♥

Scottish Equitable Fnd. Mgrs. Ltd.♥

Sebag Unit Tst. Managers Ltd.♥ (a)

Security Selection Ltd.

Slater Walker Un. Tst. Mgmt. (a) (g)

Stewart Unit Tst. Managers Ltd. (a)

Sun Alliance Fund Mngt. Ltd.

Target Tst. Mngrs. Ltd.♥(a)(g)

Target Tst. Mgrs. (Scotland) (a)(b)

Trades Union Unit Tst. Managers♥

Transatlantic and Gen. Secs. Co.♥

See also Grieveson Management

Trident Trusts(a)(g)

Schlesinger Trust Managers Ltd.

Tyndall Managers Ltd.♥

Tyndall Nat. and Comm.♥

TSB Unit Trust Managers Ltd.♥ (y)

Ulster Bank♥ (a)

Unit Trust Account & Mgmt. Ltd.

Wieler Growth Fund

INSURANCE, PROPERTY, BONDS

Abbey Life Assurance Co. Ltd.

Albany Life Assurance Co. Ltd.

AMEV Life Assurance Ltd.♥

Atlantic Assurance Co.

See under Property Growth Ass.

Barclays Life Assur. Co. Ltd.

Beehive Life Assur. Co. Ltd.♥

For "Brandts Ltd." see "Lloyds Bk. Unit Tst. Mngrs."

Canada Life Assurance Co.

Cannon Assurance Ltd.♥

Capital Life Assurance♥

Charterhouse Japhet Life Ass. Co. Ltd.♥

The City of Westminster Assur. Soc.♥

The City of Westminster Ass. Co. Ltd.

Westminster Managed Fund

Commercial Union Group

Confederation Life Insurance Co.

Cornhill Insurance Co. Ltd.♥

Credit & Commerce Insurance

Crescent Life Ass. Co. Ltd.

Crusader Insurance Co. Ltd.

Eagle Star Insur/Midland Ass.

General-Portfolio Life Ins. C. Ltd.♥

Growth & Sec. Life Ass. Soc. Ltd.♥

Guardian Royal Exchange

Hambro Life Assurance Limited♥

Hearts of Oak Benefit Society

Hill Samuel Life Assur. Ltd.

Imperial Life Ass. Co. of Canada

The Individual Life Ins. Co. Ltd.♥

Investment Annuity Life Assur.♥

Irish Life Assurance Co. Ltd.

King & Shaxson Ltd.

Langham Life Assurance Co. Ltd.

Life & Equity Assurance♥

Life Assur. Co. of Pennsylvania

Lloyds Bk. Unit Tst. Mngrs. Ltd.

Lloyds Life Assurance♥

M & G Group♥

Magna Assurance Company Ltd.

Merchant Investors Assurance♥

NEL Pensions Ltd.

New Court Property Fund Mngrs. Ltd.

New Zealand Ins. Co. (U.K.) Ltd.

NPI Pensions Management Ltd.

Norwich Union Insurance Group

Oaklife Assurance Ltd.♥

Phoenix Assurance Co. Ltd.

Prop. Equity & Life Ass. Co.♥

Property Growth Assur. Co. Ltd.♥

Prudential Pensions Limited♦

Reliance Mutual

Royal Insurance Group

Save & Prosper Group♥

Scottish Widows' Fnd. & Life Ass. Soc.

Slater Walker Insurance Co. Ltd.

Sun Life of Canada (U.K.) Ltd.

Target Life Assurance Co. Ltd.

Transinternational Life Ins. Co. Ltd.

Trident Life Assurance Co. Ltd.

Tyndall Group♥

Vanbrugh Life Assurance♥

Welfare Insurance Co. Ltd.♥

Windsor Life Assur. Co. Ltd.

Segaurd Assurance Limited♥

Schroder Life Group♥

OFFSHORE AND OVERSEAS FUNDS

Abacus Arbuthnot (C.I.) Limited.

Albany Fund Management Co. Ltd.

Australian Selection Fund NV

Banque Bruxelles Lambert

Bk. of London & S. America Ltd.

Barclays Unicorn Int. (Ch. Is.) Ltd.

Barclays Unicorn Int. (I. O. Man) Ltd.

Bridge Management Ltd.

Butterfield Management Co. Ltd.

Capital International S.A.

Charterhouse Japhet

Cornhill Ins. (Guernsey) Ltd.

Darling Management Ltd.

Delta Group

Dreyfus Intercontinental Inv. Fd.

F. & C. Mgmt. Ltd. Inv. Advisers

Fidelity Mgmt. & Res. (Bda) Ltd.

F.I.R.S.T. Managers Ltd.

Free World Fund Ltd.

G.T. Management Ltd. Ldn. Agts.

Management International Ltd.

G.T. Bermuda Ltd.

G.T. Management (Asia) Ltd.

Hambros (Guernsey) Limited

Hapai Management Ltd.

Oliver Heath and Co. (IoM and Gib.)

Hill-Samuel & Co. (Guernsey) Ltd.

Hill Samuel Overseas Fund S.A.

International Pacific Inv. Mngt. Ltd.

J.E.T. Managers (Jersey) Ltd.

Jardine Fleming & Co. Ltd.

For "Jersey Savings Bank" see "TSB Unit Trust Managers"

Kemp-Gee Management Jersey Ltd.

Keyselex Mngt. Jersey Ltd.

King & Shaxson Mgrs. (Jersey) Ltd.

Kleinwort Benson Ldn. Agts.

Lamont Investment Mngt. Ltd.

Lloyds Bk. (C.I.) U/T Mgrs.

Lloyds International Mgmt. S.A.

M & G Group (a)(c)(s)

Samuel Montagu Ldn. Agts.

Murray, Johnstone (Inv. Adviser)

Negit S.A.

Negit Ltd.

Neptune Intnl. Fnd. Mgrs.

Old Court Fund Mngrs. Ltd.

Old Court Commodity Fd. Mgrs. Ltd.

Save & Prosper (Jersey) Ltd.

Save & Prosper International

Ebor Management Ltd

Schlesinger Fnd. Mgrs. (Jersey) Ltd.

J. Henry Schroder Wagg & Co. Ltd.

Singer & Friedlander Ldn. Agents

Slater Walker Ins. Co. (C.I.) Ltd.

Slater Walker (Jersey)

Surinvest Copper Trust Mngrs. Ltd.

TSB Unit Trust Managers (C.I.) Ltd.

Target Trust Mgrs. (Cayman) Ltd.

Tokyo Pacific Holdings N.V.

Tokyo Pacific Hldgs. (Seaboard) N.V.

For Triumph Int. Fnd. Mgrs. see Neptune Int. Fnd.

Tyndall Group

United States Tst. Intl. Adv. Co.

S. G. Warburg & Co. Ltd.

Warburg Invest. Mngt. Jrsy. Ltd.

World Wide Growth Management

NOTES

Prices do not include $ premium, where indicated, and are in pence unless otherwise indicated. Yields % shown in last column allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of U.K. taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ♥ Net of tax on realised capital gains unless indicated by ♦. ♦ Guernsey gross. ‡ Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ■ Single premium insurance bonds.

REGIONAL MARKETS

The following is a selection of the share prices previously shown under regional headings below with quotations on London, Irish issues, most of which are not officially listed in London, are shown separately and with prices as on the Irish exchange.

...D PRICE MOVEMENTS

	Mar. 25	Week ago	Month ago
	£	£	£
A.1 per tonne	940	940	1,030
A.1 per tonne	910	910	980
...pecial per tonne	910	910	930
A.1 per tonne			
A.1 per tonne	880	850	930
...cwt	45.39-47.77	45.39-47.77	45.50-47.47
...salted per cwt	51.27-53.23	49.75-52.75	47.63-49.31
...cheddar white per tonne			1,002.29
...tonne	896.5	896.5	896.5
...rod. Standard	3.40-3.50	3.30-3.40	3.15-3.20
...Large	3.40-3.60	3.40-3.60	3.20-3.30
	March 23	Week ago	Month ago
	per pound	per pound	per pound
	p	p	p
...quarters	29.0-31.0	29.5-32.0	29.0-30.0
...ewes	19.0-24.0	19.0-24.0	18.0-26.0
...chickens	22.5-26.5	22.0-26.5	21.5-27.0

...Egg Exchange price per 120 eggs. † Delivered. ...y March 23-31.

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

INTERNATIONAL BANK

CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS (Miscel.)

FOREIGN BONDS & RAILS

U.S. $ De. Prices exclude inv. $ premium

AMERICANS

S.E. List Premium 49⅛% (based on $1.8939 per £)

Conversion factor 0.6713 (0.6779)

CANADIANS

1975/6 High	Low	Stock	£	+ or −	Div. Gross	Cvr	Y'ld Gr's
13¾	870p	Bk. Montreal $2	11⅜	......	96c	—	4.2
36⅛	24¼	Bk. Nova Scot. $2	30¼	......	$1.60	—	2.8
37⅞	29½	Bell Canada 25c	35	......	$3.44	—	5.1
15⅛	700p	Bow Valley‖	14¼	+⅛	10c	—	0.4
10¼	720p	Brascan‖	910p	−25	s$1.00	—	5.7
22¼	15¾	Can. Imp. Bk. $2	20⅞	−⅛	$1.28	—	3.3
13⅝	945p	Can. Pacific $5	12¾	+⅛	84½c	—	3.5
29¼	22½	Do. 4pc Deb. £100	28¼	+¼	4%	—	14.1
25¼	17⅛	Gulf Oil Can.‖	25xd	+⅝	$1.00	—	2.1
670p	220p	Hawker Sid. Can.‖	590pxd	......	36c	—	3.2
28	16⅞	Hollinger $5	26½	......	$1.80	—	3.5
15¾	825p	Hudson's Bay ‖	14⅜xd	−⅛	60c	—	2.2
32¼	12¾	Hud. B. Oil G. $2½	28⅞	+⅛	$1.40	—	2.6
22¾	16	Imperial Oil‖	18⅝xd	+¾	80c	—	2.2
770p	464p	Int. Nat. Gas $1	710pxd	......	80c	—	5.9
27	19½	Int. Nickel ‖	26xd	+⅛	$1.40	—	2.8
24½	570p	Massey Ferg. ‖	22½	+¼	$1.00	—	2.3
23½	980p	Pacific Pet. $1	22	+⅛	80c	—	1.9
32p	11½p	Place Gas $1	26½p	+½	—	—	—
29½	13¾	Rio Algom	27¾xd	+¼	$1.00	—	1.9
24¼	18	Royal Bk. Can. $2	21⅛	−¼	$1.28	—	3.1
25⅞	19	Seagram Co. C$1	21⅝	+⅛	80c	—	1.9
17½	11⅛	Tor. Dom. Bk. $1	13⅝	−⅛	70c	—	2.7
10½	630p	Trans Can. Pipe 33c	900p	......	72c	—	4.2
750p	515p	White Pass	725pxd	......	‡35c	—	2.5

S.E. List Premium 49⅛% (based on $1.8939 per £)

††BANKS AND HIRE PURCHASE

1975/6 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's	P/E
250	135	Alexanders D. £1	228	+3	11.67	—	7.9	—
£114	£67	Algemene Fl.100	£103	......	†Q21%	1.8	3.6	16.0
[illegible]	190	Allen Harvey £1	430	......	25.0	—	8.9	—
[illegible]	45	Allied Irish	114	......	Q25%	—	5.5	—
77	14	Anglo Contnl	47	......	—	—	—	18.9
[illegible]	95	Arbuthnot L. £1	167	......	†7.61	—	7.0	—
[illegible]	170	Aust. & N.Z. $1	337	−3	9.7	—	3.9	—

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER & ROADS

BUILDING INDUSTRY—Continued

CHEMICALS, PLASTICS

CINEMAS, THEATRES AND TV

DRAPERY AND STORES

DRAPERY AND STORES—Continued

ELECTRICAL AND RADIO

ENGINEERING, MACHINE TOOLS

ENGINEERING—Continued

FOOD, GROCERIES, ETC.

HOTELS AND CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

هكذا منه الأصل

INDUSTRIALS—Continued

††INSURANCE

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING, ADVERTISING

PROPERTY

PROPERTY—Continued

SHIPBUILDERS, REPAIRERS

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

TRUSTS—Continued

Finance, Land, etc.

OILS

OVERSEAS TRADERS

RUBBERS AND SISALS

TEAS

India and Bangladesh

Sri Lanka

Africa

MINES

CENTRAL RAND

EASTERN RAND

MINES—Continued

FAR WEST RAND

1975/6 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
£11	415	Blyvoor 25c	425	−5	‡Q188c	1.3	‡
975	910	Bulfels R1	930	+20	Q180c	1.4	11.5
430	116	Deelkraal R0.20	118		—	—	—
£14¼	420	Doornfontein R1	450	−10	‡Q110c	1.4	‡

O.F.S.

FINANCE

DIAMOND AND PLATINUM

CENTRAL AFRICAN

AUSTRALIAN

TINS

COPPER

MISCELLANEOUS

High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
10	3	Burma Mine 17½p	9	......	m0.5	—	1.5
65	17	Charterhall 5p	27½	+1	—	—	—
880	360	Cons. Murch. 10c	688	−20	Q80c	♦	7.0
53½	29½	Lamasia	30	......	—	—	—
470	200	Northgate C$1	375	−20	tQ25c	1.0	3.5
211	80	R.T.Z.	200	......	£5.51	4.4	4.2
135	47½	Sabina Inds. C$1	87	......	—	—	—
81	45	Stenford Minesd	45	......	—	—	—
£12½	874	Tara Expln. $1	£10¾	......	—	—	—
122	38	Yukon Cons. C$1	118	......	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures; they are adjusted to ACT of 35 per cent. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields, assuming maintenance of net dividends on current rate of ACT, are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- △ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- ♦ Figures or report awaited.
- †† Banks and Insurance: reserve allocations may preclude calculation of dividend cover.
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ** Free of Stamp Duty.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Based on 1973 profits.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ♣ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. H Figures based on prospectus or other official estimates for 1976. N Dividend and yield based on prospectus or other official estimates for 1976. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 23

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £325 per annum for each security

FINANCIAL TIMES
Friday March 26 1976

Franjieh flees from his palace

BY IHSAN HIJAZI

BEIRUT, March 25.

LEBANON appears to be heading for partition. To-day, left-wing and Moslem forces declared a full-scale military offensive. This prompted their Christian opponents to call a full mobilisation.

President Suleiman Franjieh was forced to leave his palace at Baabda, on the outskirts of Beirut, by heavy shelling, and moved to the port of Jounieh, main stronghold of his Maronite Christian community, some 12 miles North of the capital.

With Mr. Franjieh installed in the last major town in Christian hands, and with Brig.-Gen. Aziz al-Ahdab, and the leader of the attempted coup of March 13 and self-styled military governor of Lebanon, based at the military barracks in Beirut, the two communities appear to have polarised completely and the effective partition of Lebanon may be only hours away.

Syria, whose imposed settlement has totally collapsed, has been holding intensive talks with other Arab leaders in the past 48 hours. Though direct intervention still seems unlikely, a major new initiative will now have to be launched if Lebanon is to be pulled back from complete disintegration.

The Presidential palace, on a hill overlooking Beirut, came under fire last night and this morning. Mr. Franjieh and members of his family moved out after their living quarters and reception lounge were hit by shells, which caused damage but no casualties. The palace's water mains also burst, flooding a garden around the building.

The President and his entourage travelled through Christian districts in two cars, while military lorries carrying personal effects and State documents drove behind.

'Exaggerated'

Mr. Franjieh set up temporary headquarters at the City Hall outside Jounieh. The official explanation was that due to disruption of communications the presidential office could no longer operate from Baabda.

The statement was intended to emphasise that Mr. Franjieh was still determined not to resign under military or political pressure. Nonetheless, his move has demoralised his Christian supporters. One remarked here to-day: "The dam is bursting."

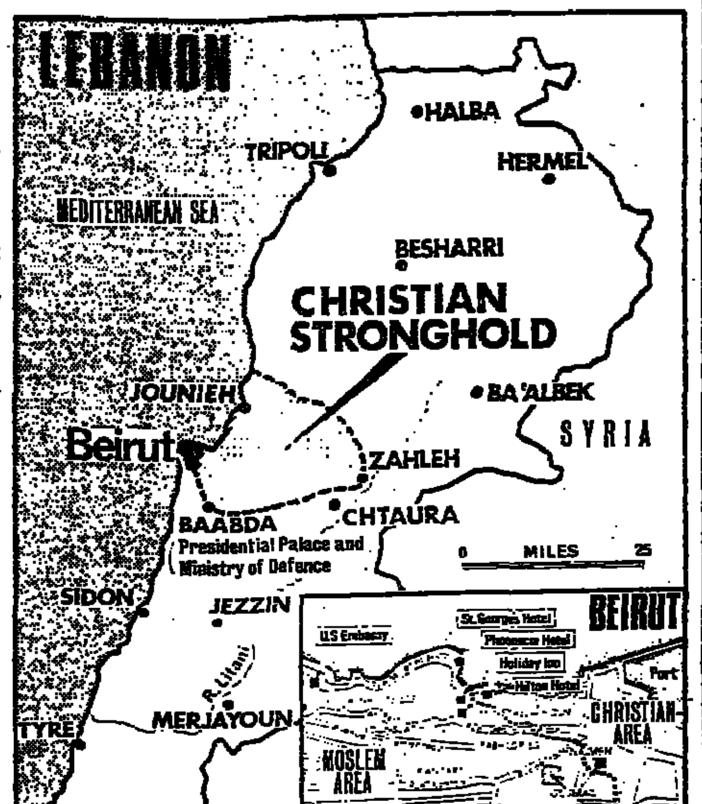
People in the main Christian quarters of Ashrafiyeh were reported to have started to move out of their homes to follow Mr. Franjieh to Jounieh. After the second consecutive night of shelling inhabitants were reported to be trying to get boats to take them to Cyprus.

Right-wing Christian sources described the rumours of a Christian panic as exaggerated. However, no sooner had Mr. Franjieh left the presidential palace than Mr. Pierre Gemayel, the leader of the Phalangist Party, the chief political and paramilitary Christian organisation, issued an impassioned appeal for support.

Speaking on the Phalangist radio he called on all able-bodied men and women, and soldiers of all ranks, to report to the nearest barracks "so you may save your homeland before it is too late."

He added: "Our economy is collapsing and our land is occupied. Disaster has spread its wings over our cities, mountains and valleys.

How many men the Right-wing Christians have succeeded in mobilising is unknown. At present, they are outnumbered by the Left and the Moslems, who have stepped up the pressure in Beirut and on the mountains. A fierce battle was under way to-day at the town of al-Metein, one part of which is controlled by Druze leader Mr. Kamal Jumblatt, and the rest by Christians.

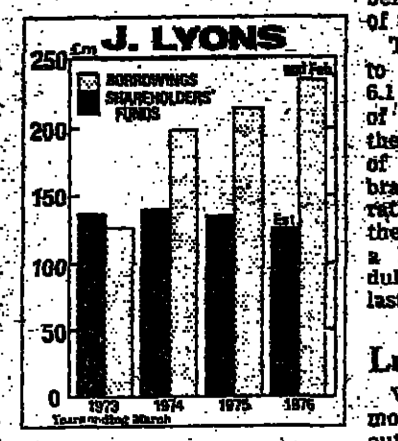


THE LEX COLUMN

Lyons nibbles at its debt

The firmness of the stock market in the past few days, consolidated—if not improved—yesterday, shows that the City has almost ruled out the possibility of a Left-wing Prime Minister. Last night's poll result does not call for any major reassessment, though Mr. Foot is likely to emerge with a strengthened position in the new Government. The market can turn its attention to more mundane factors, such as the chance of a new short gilt-edged tap to-day.

Index rose 0.2 to 406.3



J. Lyons

As a possible solution to Lyons' overgearing problems a rights issue has always looked inadequate, and so it turns out in the event—although at least it has brought about the enfranchisement of the "A" shares. Even on the very heavy one-for-three basis—at 105p, a 27 per cent. discount on Wednesday night's price—the issue pulls in just £10.5m. compared with total debt of £236m. at the end of February. The ratio of debt to shareholders' funds is reduced only from 187 to 165 per cent.

Lyons will have to mount the major attack on its debt mountain through a more active disposals policy. The directors make a special point of the need to reduce foreign currency debt, currently well over £100m. A proportion of this—something less than half—has been absorbed in U.K. assets, leading to a damaging exposure to exchange rate movements, and putting pressure on the group's equity base.

The profits forecast for the current year is much in line with expectations. Pre-tax profits (after approaching £20m. of interest) will be at least £10m. against £6.6m., but the exceptional items will swing round from plus £2.6m. to a loss of £2.5m. Moreover the predominance of overseas profits will lead to a high tax charge (despite a nil liability in the U.K.). Disregarding exceptional items, earnings would be 12p, giving a p/e of just over 10 at 133p (down 11p) but including the exceptional losses, mostly relating to spending on the new Carlton cake bakery, there will be under 4p a share of earnings to go towards dividends of 7.6p. Even this earnings residual would disappear if interest on Carlton were not being capitalised.

This rights issue hardly changes Lyons' status as a highly geared speculative situation. If conditions become more favourable, the payoff from capital spending in the U.K. and growth overseas—where the U.S. is already making good progress—will have a very sharp impact on profits after interest. Yet the capital structure will have to be greatly improved before Lyons can be judged simply on its merits as a food manufacturer.

Prudential

The Prudential has put the hiccup of 1974 well behind it: available profits have risen by £6m. to £18.1m. during 1975, dividends are being increased by the maximum allowed and reversionary and terminal bonuses in the Ordinary branch are rising. Industrial branch policyholders are less fortunate, however, with no improvement in bonuses, reflecting the continuing rise in the expense ratio of the man from the Pru collecting door-to-door when new premiums are only rising by 9 to 10 per cent. a year.

The balance sheet will reflect the increase in value of investments during 1975 so after the actuaries have discounted the life liabilities at a lower rate of interest the transfer to profits can increase again. Even after allowing for a recovery from the £500,000 drop in 1974, the £2.7m. increase in transfer to £11.5m. last year is larger than indicated by the early 1970s trend.

The non-life side is also improving with underwriting losses £2.7m. lower at £2m. and a further improvement likely this year from U.K. motor and in Canada. Investment income rose by £3.4m. during 1975, of which roughly two-thirds came from a half-year's use of the rights issue proce[eds] momentum here maintained and a so[lid mar]gin of 42 per cent. ber allows a furthe[r] of this business.

The shares rose 6 to 140p, where th[e] 6.1 per cent. The of the figures for the sector is that of the predominant branch companies rather better than e[xpected] the sector as a who[le] a livelier performa[nce] dull share price re[cord] last few months.

See also Pag[e]

Lucas

Volume growth, more than an eighth outside the U.K., h[as left] Lucas with profits o[f] tax for the six January, 1976. Th[is] with just £13m. a y[ear] £19.2m., after redu[ction] of £2½m., in the se[cond] 1974-75. But Lucas last year always lo[oked] distorted, and the no means slowin[g] 1975-76. Overall, top £47m. for earn[ings] the 33p mark, aga[inst] price up a fifth this On this basis the yield of 3.9 per ce[nt] covered more than

Industrial equip[ment] are going to rise b[y] so from last year's the aircraft ope[rations] free of bad fixed pr[ice] —will turn in wel[l] against perhaps £½m But the hard news dominant vehicle divisions are holdin[g] ably well: Europ[e] for the group over cent. up for the six overseas volume g[rowth] to 15 per cent. Th[e] volume growth a[nd] perhaps as much a reflecting the conti[nued] in diesel equipmen[t] electrical sales a[nd] but Lucas recko[ns] year's streamlinin[g] theless led to sl[ower] profits.

The first phase diesel capacity in be introduced in six months, and by fits should be fee[l] pact—one way or of an extra 20 per put. Meantime, t[he] now much happie[r] demand outlook equipment gener[ally]

See also Pa[ge]

Equi
gain
on W
gilts

No early end likely to Price Code curbs

BY ELINOR GOODMAN, CONSUMER AFFAIRS CORRESPONDENT

COMPANIES WILL probably have to continue to apply for price increases after the Government amends its prices legislation in the summer.

This is despite strong pressure from industry to abandon the whole aspect of advance notifications in the Price Code and to restrict supervision to simple profit margin ceilings.

No decision has yet been taken on the framework of any new control. The Government has not even decided whether the present code should be retained in some modified form.

But the indications from Whitehall are that if the existing code is used as a basis for renegotiation, then the political pressures on the Government will not allow it to abolish the present system, whereby companies have to apply in advance to the Price Commission for individual prices increases.

At present companies are controlled in two ways. Individual price rises have to be justified to the commission on the basis of increased costs, while net profit margins have to be kept within specified limits, based on a company's past profit performance.

Profit control

The CBI is to ask Mrs. Shirley Williams, Secretary for Prices, at a meeting on Monday to drop that part of the code requiring companies to justify price increases in advance.

Instead, it wants a simple profit margin control based on more generous profit ceilings than the present code allows—a proposal endorsed yesterday by the Hundred Group, a group of chartered accountants.

For its part, the Government now seems to accept that prices will have to be allowed to rise more freely if investment is to be stimulated. This means that unless it comes up with some completely new framework for controlling prices—and, as yet it has not evolved any viable alternative—it is likely to consider easing both the present allowable cost regime and the profit ceilings.

This could be done in a number of ways. The profit ceilings could be raised in the ways suggested by the CBI—by increasing the present investment relief clauses in the code, allowing a larger provision for depreciation; or excluding stock appreciation for calculating profits under the code.

Deduction

Allowable costs could be similarly relaxed, while still making companies pre-notify increases to the commission. The productivity deduction, for example, which prevents most companies passing on more than 80 per cent. of their increased wage costs in higher prices, could either be relaxed or abolished.

A more radical relaxation would be to base allowable costs on costs per unit of input rather than, as at present, on units of output. The system of justifying increases on units or output has meant that any savings achieved by a company in the use of labour or materials, or by increasing output, must be passed on to the consumer rather than retained as profit.

The Government could also allow companies to include costs in their price applications which are not allowable at present — advertising, for example. It could also apply some of the CBI's proposals for easing the margin controls to the allowable cost rules. A proportion of any future investment can already be passed on in higher prices, and this proportion could be increased.

But even if the Government were to be more generous over allowable costs, it seems unlikely it would allow companies to increase their margins on a particular product by passing on any more than the higher costs which have accrued since the last price rise.

Editorial Comment, Page 20

South Africa withdraws Angola troops to-morrow

BY OUR FOREIGN STAFF

MR. P. W. BOTHA, the South African Defence Minister, has told parliament in Cape Town that all South African troops will be pulled out of Angola by to-morrow.

This confirmation of the withdrawal, which was foreshadowed in a speech by Mr. John Vorster, the Prime Minister, last Sunday, follows what Mr. Botha called clarification from the Angolan Government in Luanda of assurances over the security of the South African-financed irrigation and power projects on the Cunene River on and close to the border with Namibia (South-West Africa), which was relayed to the South African Government through Dr. Kurt Waldheim the Secretary General of the United Nations.

Extra assurances about the security of the project also appear to have been given by Mr. Andrei Gromyko, the Soviet Foreign Minister, who was in London until yesterday. Shortly before Mr. Botha's announcement, he confirmed in London that a deal "was in the making" though he refused further comment.

The British Foreign Office later said it had set up a channel of communication, but it too refused to say what messages had been passed.

Mr. Gromyko went on to say that the Soviet Union was not involved in either Namibia or Rhodesia, and that frequent reports to this effect were "fairy tales." However, he refused to comment on the activities of the Cuban troops which played a decisive role in the MPLA victory, and there were no indications about what, if anything, the Russian assurances said of the troops' plans once their assignment in Angola was over.

Mr. Harold Wilson, the Prime Minister, who met Mr. Gromyko earlier in the week, told the House of Commons that a "new and extremely serious" situation would arise if Cuban forces were to intervene in any other territory in Southern Africa.

The South African move is seen as a necessary step towards full recognition of the MPLA regime in Angola, although diplomatic observers do not think that is imminent.

Resolved

Diplomatic sources say that following talks between representatives of the MPLA, Russia and Britain, the MPLA agreed that the hydro-electric projects financed largely by South Africa at Calueque some 15 miles inside Angola and at the Ruacana Falls which are right on the border, with Namibia would not be damaged or interfered with.

The South African Government, however, fearing a power vacuum wanted more specific promises which were apparently received through Dr. Waldheim yesterday.

By resolving this question of the Cunene River projects, South Africa may have staved off a potentially embarrassing diplomatic situation. It was not known in Johannesburg whether the planned debate on South African involvement in Angola would go ahead, but observers felt that by publicly promising to withdraw totally from Angola and by taking groups of journalists to Calueque to prove the fact, the Government has somewhat outmanoeuvred Angola's supporters within the UN.

One diplomatic observer even went so far as to suggest that if there is a debate it could focus instead on the role of the Cubans, who did most of the heavy fighting for the MPLA in the recent three-sided civil war in the former Portuguese territory.

The security of the Cunene River projects was one of two main reasons South Africa kept troops in positions up to 50 kilometres inside Angola. The republic has committed something like £225m. to the projects. The dam at Calueque supplies a lot of the water for Ovamboland, the territory adjacent to the Angolan border. The hydro-electric project at the Ruacana Falls, when finished, was expected to supply much of the power for the mines and industries in the south of Namibia. The projects which were started with Portuguese help were not expected to benefit Angola very much.

Lusakt summit ends Page 5

Full voting rights move by J. Lyons

By Keith Lewis

VOTING CONTROL of J. Lyons, the food and catering group, would pass from the hands of the Gluckstein and Salmon family interests under a proposal to give full voting rights to holders of the 29.45m. £1 "A" Ordinary shares. The announcement was made yesterday in conjunction with a rights issue to raise £10.5m.. The underwriting of the fund raising was largely dependent on the enfranchisement proposals

Lyons' move follows a similar voting reorganisation by Rank Organisation earlier this month and by Dixons Photographic in February.

There remains considerable pressure in the City on companies with a similar voting structure to enfranchise non-voting shares. Among the major groups outstanding are Great Universal Stores, Thorn Electrical Industries, Burton Group, Gestetner, Laing, Beaverbrook, Granada and Securicor.

Marks and Spencer enfranchised as long ago as 1966, and Sears Holdings, headed by Sir Charles Clore, made the change in October, 1972.

Lyons Ordinary holders will be offered as compensation for loss of voting control one New Ordinary share for every £10 of Ordinary stock held on March 17. Ordinary holders can opt for warrants on the basis of one warrant for every £2 of Ordinary. Each warrant entitles the holder to subscribe for one New Ordinary share between 1976 and 1986 at a price of 200p. Lyons "A" shares ended 11p lower last night at 133p.

Yesterday's statement also contained a profit projection for the year ending to-day. It is expected that the pre-tax figure, before exceptional items, will amount to £10m., compared with £6.64m. in the previous year. However, there is an exceptional debit of £2.5m. against a £2.6m. net credit in 1974-75.

Issues details, Page 22; Lex

Equity bank plan may soon be complete

BY MARGARET REID

LONG-DELAYED plans for setting up the City's controversial equity bank to finance companies unable to raise capital on the stock market may well be completed in two or three weeks.

There is a meeting on Monday of the working party which has been preparing the scheme, under which £50m. of starting capital would be put up by a range of institutions, including insurance companies, pension funds, investment trusts and unit trusts.

The party, headed by Mr. Ernest Bigland, chairman of the British Insurance Association, and including Sir Henry Benson, industrial adviser to the Bank of England, is expected to review the latest drafts of its report and the accompanying prospectus.

Indications are that it should then be near to putting the finishing touches to these long-discussed documents, which are expected to be circulated to institutions, and probably published soon afterwards.

Even then, the go-ahead will depend on final approval by the proposed participating institutions. Feeling among enthusiasts for the plan now, however, appears to be that it will proceed—and probably with the planned £50m. of initial capital, rather than a somewhat smaller sum, which has sometimes been discussed.

The project, conceived last summer as a means of filling what many regarded as a gap in financing companies unable, for short-term reasons, to raise capital normally, has provoked substantial opposition.

A number of institutions, notably various Scottish insurance concerns, have raised extensive queries about the need for, and method of operation of, the proposed body. Some have lately registered their doubts publicly on the whole idea.

Changes

The working party appear to have produced certain changes in the original plans. The "support role," under which the equity bank—otherwise known as Equity Capital for Industry—would give some management backing to certain companies, has been more closely and narrowly defined.

Backing of this kind is now apparently only envisaged for companies potentially or actually taking funds from the equity bank and not for other concerns which might need expert help. The figure of £500m. originally seen as the ultimate size of the proposed institution, has also been dropped.

Lord Plowden, soon to retire as chairman of Tube Investments, has confirmed that he may accept the chairmanship of the equity bank.

State grants exploited–Plaid

DEVELOPMENT grants offered to companies moving into Wales have been exploited in some cases, a report by Plaid Cymru claims.

A study by an economic team from the party quotes examples of four companies which, it says, have made use of grants and then closed down.

The claim is contained in a memorandum presented to Mr. John Morris, the Secretary for Wales. It was drawn up by the party's chairman and spokesman on economic affairs, Dr. Phil Williams. In it he accuses the Government of wasting millions of pounds on regional policies.

In his criticism of the Government's present policies, Dr. Williams says they produced only 28,000 jobs instead of the 66,000 promised by the Labour Government between 1965 and 1970.

Weather

U.K. TO-DAY

A SHOWERY westerly airstream will bring sunny intervals and showers especially in the West and North falling as sleet on hills in Scotland and Wales.

East Anglia, E. England

Scattered showers and sunny periods. Wind fresh. Max. 10C (50F).

South England, Channel Isles, S.W. England

Cloudy with rain and hill fog patches, becoming dry with sunny periods. Wind light to moderate. Max. 10C (50F).

Midlands, S. Wales, Northern England

Showers and sunny periods. Wind moderate or fresh. Max. 9C (48F).

N. Wales, N.W. England, Lakes, Isle of Man

Showers with snow on hills and sunny intervals. Wind fresh or strong. Max. 7C (45F).

N.E. England, Borders, Edinburgh, Dundee, Aberdeen

Scattered showers with snow on hills. Wind fresh or strong. Max. 6C (43F).

S.W. Scotland, Highlands, N. Ireland

Frequent squally showers with snow on hills. Wind strong to gale. Max. 6C (43F).

N.E. Scotland, Orkney, Shetland

Squally showers with snow on high ground. Wind strong to gale. Max. 4C (39F).

Outlook: Mostly dry with sunny intervals, apart from showers in the North.

Lighting-up: London 19.53, Manchester 20.03, Glasgow 20.12, Belfast 20.18.

BUSINESS CENTRES

		Y'day Mid-day °C	°F			Y'day Mid-day °C	°F
Alexandria	F	21	70	Luxembrg.	C	3	37
Amstrdm.	R	5	46	Madrid	S	10	50
Athens	F	18	64	Manchstr.	D	11	52
Barcelona	S	14	57	Melbourne	F	20	68
Belfast	F	11	52	Mexico C.	S	24	75
Belgrade	C	6	43	Milan	C	12	54
Berlin	C	2	36	Montreal	R	7	45
Birmghm.	R	10	50	Moscow	C	1	34
Bristol	C	11	52	Munich	R	3	37
Brussels	R	9	48	New York	C	17	63
Budapest	C	10	50	Oslo	Sn	—1	30
B. Aires	C	17	63	Paris	C	10	50
Cairo	S	24	75	Perth	F	22	72
Cardiff	C	10	50	Prague	Sn	2	36
Cologne	C	8	46	Reykjavik	C	—3	27
Copnhagn.	Sn	0	32	Rio de J'o	C	28	82
Dublin	D	10	50	Rome	F	14	57
Edinburgh	D	6	43	Singapore	C	31	88
Frankfurt	C	5	41	Stockholm	C	1	34
Genoa	C	8	46	Sydney	R	19	66
Glasgow	C	7	45	Tehran	C	5	41
Helsinki	C	—1	30	Tel Aviv	S	10	50
H. Kong	S	16	61	Tokyo	S	11	52
Jo'burg	C	24	75	Toronto	S	13	55
Lisbon	S	13	55	Vienna	F	9	48
London	C	12	54	Warsaw	C	4	39

HOLIDAY RESORTS

		Y'day Mid-day °C	°F			Y'day Mid-day °C	°F
Ajaccio	S	14	57	Luxor	S	31	88
Algiers	F	14	57	Majorca	F	14	57
Biarritz	S	12	54	Malaga	S	18	64
Bordeaux	S	13	55	Malta	C	14	57
Casablnca.	F	17	63	Nairobi	S	24	75
Cape Tn.	S	24	75	Naples	F	17	63
Corfu	F	15	59	Nassau	S	24	75
Faro	S	17	63	Nice	C	14	57
Florence	S	17	63	Nicosia	S	20	68
Gibraltar	F	15	59	Oporto	S	14	57
Guernsey	C	8	46	Rhodes	F	17	63
Innsbruck	C	7	45	Salzburg	C	6	43
Inverness	F	4	39	Tangier	S	16	61
Is. of Man	C	9	48	Tenerife	C	13	55
Istanbul	C	12	54	Tunis	F	15	59
Jersey	C	10	50	Valencia	S	14	57
Las Plms.	S	19	66	Venice	C	10	50

S—Sunny. F—Fair. C—Cloudy. R—Rain. Sn—Snow. D—Drizzle.

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